ANNUAL REPORT
to the
NOVA SCOTIA LEGISLATURE

of the

STANDING COMMITTEE ON PUBLIC ACCOUNTS

March 20, 1990
- May 15, 1991

Dr. William Gillis, M.L.A.
Chairman

Hon. George Archibald
Vice-Chairman

Second Session of the Fifty-Fifth General Assembly

House of Assembly
Nova Scotia

Honourable Ronald S. Russell
Speaker
House of Assembly

Dear Mr. Speaker

On behalf of the Standing Committee on Public Accounts, I am pleased to submit the Annual Report of the committee for the Second Session of the Fifty-Fifth General Assembly (March 20, 1990 to May 15, 1991).

Respectfully submitted

Bill Gillis

William Gillis, M.L.A.
(Antigonish)
Chairman
Standing Committee on Public Accounts

Halifax, Nova Scotia
June 10, 1991

ANNUAL REPORT
to the
NOVA SCOTIA LEGISLATURE
# of the
STANDING COMMITTEE ON PUBLIC ACCOUNTS

March 20, 1990 - May 15, 1991

Dr. William Gillis, M.L.A.
Chairman

Hon. George Archibald
Vice-Chairman

Second Session of the Fifty-Fifth General Assembly

TABLE OF CONTENTS

91-05374/

Page

Introduction.. i

Mandate.. i
Procedures and Operations............................ i
Interim and Annual Reports........................... ii
Verbatim Transcripts................................. iii
Distribution... iii
Committee Resources.................................. iii
Acknowledgments...................................... iii
Steering Committee Report............................ iii
Witnesses.. iv

REPORT

Preliminary Meeting.................................. 1

Election of Chairman........................... 1
Establishment of Agenda........................ 1
Other Business................................. 2
Conclusion..................................... 3

Office of the Auditor General...................... 4

Business Capital Corporation................... 4
Path Scientific Research/
Victoria General Hospital/
Victoria General Hospital Foundation........... 6
Teachers' Pension Plan......................... 7
NSLC - Bayers Lake Warehouse................... 8
Other Related Matters.......................... 9
Material to be Provided........................ 10

Nova Scotia Power Corporation...................... 11

Remuneration of NSPC Officials................. 11
Trip to Japan.................................. 11
Point Aconi.................................... 12
Westray Mine................................... 12
Environmental Concerns......................... 13
Other Related Matters.......................... 14
Material to be Provided........................ 14

National Sea Products Limited...................... 15

Plant Closures................................. 15
Unprocessed Fish to the United States.......... 16
Dumping.. 17
Financial Status............................... 17
Cape North..................................... 18
Other Related Matters.......................... 18
Material to be Provided........................ 19

TABLE OF CONTENTS **Page**

Halifax-Dartmouth Bridge Commission.............. 20

Administration................................ 20
Debt Retirement Plan.......................... 20
Improvements.................................. 22
Other Related Matters......................... 23
Material to be Provided....................... 23

Victoria General Hospital - and -
Path Scientific Research Limited................. 24

VGH

Budget Restraints............................. 24
Out-of-Province Patients...................... 25
Privatization................................. 25
Other Related Matters......................... 25

PATH

Non-Profit Status............................. 25
Audited Financial Statements.................. 26
Other Related Matters......................... 26
Material to be Provided....................... 27

Teachers' Pension Commission - and
Department of Finance............................ 28

Administration of Fund........................ 28
Unfunded Liability............................ 29
Investment Policies........................... 30
Comparison - Public Service Superannuation.. 30
Teacher Awareness............................. 30
Other Related Matters......................... 31
Material to be Provided....................... 31

Nova Scotia Liquor Commission.................... 32

Finances...................................... 32
Labour Strike................................. 32
Bayers Lake Warehouse......................... 33
Trade Agreements.............................. 34
Other Related Matters......................... 34
Material to be Provided....................... 35

Department of Government Services................ 36

Allegations of Corruption..................... 36
Releasing of Confidential Medical Information 36
Material to be Provided....................... 37

TABLE OF CONTENTS **Page**

Provincial Tax Commission - and Department of Finance........................... 38

Dismissal of Tax Auditor...................... 38
Health Services Tax Revenues................. 38
Tax Write-Offs............................... 38
Penalties.................................... 39
Other Related Matters........................ 39
Material to be Provided...................... 40

Business Capital Corporation - and Small Business Development Corporation........... 41

Loan Write-Offs.............................. 41
Lockeport - Ice King Proposal................ 41
Concern of Auditor General................... 42
MAS Medical Inc.............................. 42
Other Related Matters........................ 43
Material to be Provided...................... 44

APPENDICES

INTRODUCTION

INTRODUCTION

The Standing Committee on Public Accounts was struck in the Nova Scotia Legislature on March 20, 1990. Membership was as follows:

Hon. George Archibald (Kings North)
Hon. G. David Nantes (Cole Harbour)
Hon. Ronald Giffin, Q.C. (Truro-Bible Hill)
Hon. Donald McInnes (Pictou West)
Hon. Brian Young (Cape Breton North)
Dr. William Gillis, M.L.A. (Antigonish)
Mr. Vincent J. MacLean, M.L.A. (Cape Breton South)
Mr. Ross Bragg, M.L.A. (Cumberland West)
Mrs. Alexa McDonough, M.L.A. (Halifax-Chebucto)

On April 4, 1990, Dr. William Gillis, M.L.A. was elected Chairman, and the Hon. George Archibald was appointed Vice-Chairman. Ms. Dianne Stillman was re-appointed Committee Clerk.

Mandate

As in previous years, the intent of the Committee was to look at some of the broader issues of government management and financial administration.

Procedures and Operations

The Public Accounts Committee traditionally meets weekly while the House is Sitting, and periodically during adjournment. It holds its meetings in the Legislative Chamber on Wednesday mornings. During the Second Session of the Fifty-Fifth General Assembly, the Committee met on the following dates:

March 28, 1990
April 4, 1990
April 18, 1990
April 25, 1990
May 2, 1990
May 9, 1990
May 16, 1990
May 23, 1990
May 30, 1990
June 6, 1990
June 13, 1990
September 26, 1990
October 31, 1990
November 21, 1990
May 1, 1991
May 8, 1991
May 15, 1991

The Public Accounts Committee is an all-party Committee and is struck early in each Session by a Special Striking Committee. Since 1987, it has been chaired by a member of the Official Opposition. [R. 60 (3)].

Elections for Chairman and Vice-Chairman have been the usual first items of business at the preliminary meeting of the Committee, however, effective at the Third Session of the Fifty-Fifth General Assembly, the House Rules have been amended to read:

> Rule 60 (3)
>
> The Chairman of the Public Accounts Committee shall be the member chosen at the commencement of the first Session of each Assembly by the Opposition House Leader from among such Members of the Committee as are Members of the Official Opposition.

The first item of business at the preliminary meeting is the setting of an initial agenda. Each party submits a list of suggestions for consideration.

Immediately following the first meeting, the Committee Clerk contacts each witness, provides them with written confirmation and draws up a tentative schedule for members.

Prior to each meeting, members are provided with a package of reference material, which is researched and compiled by the Committee Clerk and forwarded to them with the formal notice of the meeting. Notices are also sent to Hansard Reporting Services, the Province House Custodian and the Press Room.

The Committee's workload has increased considerably in recent years, with several meetings being held outside of the Session. It is anticipated that it will continue to do so.

Interim and Annual Reports

Reports are prepared twice yearly on an interim and annual basis. Regretfully, they do not include recommendations. They are compiled and written by the Committee Clerk. Once the Chairman has approved the initial draft, the report is circulated to members with a request for input. Members' suggestions are then incorporated and the document is tabled.

Verbatim Transcripts

Verbatim transcripts of proceedings are available in the Legislative Library.

Distribution

As recommended in the Guidelines for Public Accounts Committees, distribution of reports will be as follows: to all Members of the Legislature, all witnesses, the Legislative Library in Nova Scotia and in other provinces and territories, deputy ministers, Chairman of all Canadian public accounts committees and members of the media.

Committee Resources

As previously noted, the workload of the Committee is constantly increasing. Presently, the Committee is supported by one person, on a part-time basis. This person is assigned to the Legislature Committees Office and therefore, is required (along with one other) to provide support for six (6) standing committees and such select committees and special commissions, as may be established.

Acknowledgments:

The Committee wishes to extend its appreciation to the witnesses for their time and co-operation. In addition, the Committee thanks Arthur R. Donahoe, M.L.A. former Speaker of the House of Assembly and his staff; Mr. O. Paul Cormier, Auditor General, and his staff; Mr. Rodney Caley, Editor of Hansard, and his staff; as well as the staff of Province House.

Steering Committee Report

On November 21, 1990, based on suggestions by the Auditor General, a Steering Committee was struck to study and report back to the full committee on procedural reforms in the operation of the Nova Scotia Public Accounts Committee.

The Committee met on the following dates:

December 12, 1990
January 23, 1991

February 13, 1991
April 17, 1991
April 24, 1991

The Steering Committee met with the full Standing Committee on Public Accounts on May 1, 8, and 15 in an effort to reach a consensus on the recommendations contained in its report. The Steering Committee Report was approved by the Standing Committee on Public Accounts on May 15, 1991. [See Appendix XII - Proposals of the Steering Committee] Copies of the full report are available in the Legislative Library.

WITNESSES

April 18, 25, and November 21 - Auditor General

Mr. O. Paul Cormier - Auditor General
Mr. Roy Gunn - Deputy Auditor General
Mr. James Butler - Assistant Auditor General

May 2 - Nova Scotia Power Corporation

Mr. Louis Comeau - President and C.E.O.
Mr. T. F. MacDonald - Vice-President (Planning)
Mr. Gerald Lethbridge - Vice-President (Engineering and Production)
Mr. Leonard Sweett - Vice-President (Customer Services)
Mr. G. K. Oikle - Vice-President (Finance)

May 9 - National Sea Products Limited

Mr. Murray Coolican - Vice-President, Intergovernmental Affairs
Mr. K. L. Nelson - Controller

May 16 - Halifax-Dartmouth Bridge Commission

Mr. Reg Prest - Chairman
Mr. James Shea - Secretary
Mr. Basil Gordon - General Manager & C.E.O.
Mr. Ken Munro - Treasurer and General Manager (A. Murray MacKay Bridge)

May 23 - Victoria General Hospital - and Path Scientific Research Limited

VGH:
Mr. Wayne Patterson - Chairman, Board of Commissioners
Dr. Bernard Badley - President and C.E.O.
Mr. Andrew Boehm - Special Assistant to the C.E.O.
Mr. William MacLennan - Chairperson, V.G.H. Foundation

PATH:
Dr. Malcolm MacAulay - President
Dr. Ross McCurdy - Director

May 30 - Teachers' Pension Commission - and - Deputy Minister of Finance

COMMISSION:
Mr. Robert Jack - Executive Director
Mr. Bruce MacDonald - Actuary
Mr. Terrence Gallagher - Teacher Representative

and-
Mr. Allan Manual - Deputy Minister of Finance

June 6 - Nova Scotia Liquor Commission

Mr. Donald Pulsifer - General Manager and C.E.O.
Mr. Bruce Rogers - Executive Director, Retail Services
Mr. Leroy Weagle - Executive Director, Corporate Services

June 13 - Department of Government Services

Mr. Darrell Hiltz - Deputy Minister
Mr. John MacLean - Director of Property and Operations

Mr. Michael Zareski - former Deputy Minister

September 26 and October 31 - Provincial Tax Commission - and - Deputy Minister of Finance

Mr. Eric Lavers, Provincial Tax Commissioner
Mr. Allan Manuel, Deputy Minister of Finance

*October 31 - Business Capital Corporation - and -
Small Business Development Corporation*

BCC -
Mr. Norman MacNeil, President and C.E.O.
Mr. Robert Shaw, Chairman of the Board

SBDC -
Mr. Douglas Giannou, Executive Director
Mr. Robert Dexter, Chairman of the Board

Note:

The Committee held six meetings, as follows, in which no witnesses were called:

March 28, 1990 - Preliminary Meeting
April 4, 1990 - Preliminary Meeting, cont.
May 1, 8 and 15, 1991 - Steering Committee Report

1990-91 Annual Report

[period: March 20, 1990 to May 15, 1991]

It should be noted that, the prorogation of the Second Session of the Fifty-Fifth General Assembly did not occur, as expected, in the Spring of 1991.

As a result, this Committee will continue its work until the completion of this Assembly and will incorporate the record of its work over the next several months in the 1991-92 Annual Report of the Public Accounts Committee.

REPORT

PRELIMINARY MEETINGS

March 28, 1990

April 4, 1990

The Standing Committee on Public Accounts held its first meeting of the Second Session of the Fifty-Fifth General Assembly in the Legislative Chamber, Province House. The meeting was conducted by the Clerk of the House of Assembly. As has been customary, the purpose of the preliminary meeting of this committee was to elect a Chairman and to set an agenda.

Election of Chairman:

On March 28, however, the Committee reached an impasse when government members of the Committee refused to re-elect the past Chairman of the Committee (the Member for Antigonish), despite the fact that he was the only member of the Official Opposition who was willing to serve. Therefore, the meeting was adjourned while the matter was placed before the Speaker.

The Speaker made the following decision -

> *"....in order that this very important committee of the Legislature be able to operate, it has no option but to select as its chairman the Official Opposition member of the committee who is prepared to serve in that capacity. Any other conclusion would rob the committee of its ability to function properly."*
>
> *[See Assembly Debates, March 28, 1990 - page 1267]*

Therefore, the meeting was reconvened on Wednesday, April 4 and the Chairman was elected unanimously for his fourth consecutive term. Also, the Member for Kings North was reappointed for his fourth term as Vice-Chairman. At the suggestion of the Chairman, the Committee Secretary was reappointed.

Establishment of Agenda:

Each party presented a list of suggested witnesses for the Committee's consideration (See Appendix I-a). Copies were circulated to all members.

After some discussion, the Committee agreed that the following groups or individuals be invited to appear as witnesses in the coming weeks:

1. Auditor General of Nova Scotia, for a minimum of two meetings.

2. President and C.E.O. of the Nova Scotia Power Corporation

3. Senior Officials - National Sea Products Limited

4. Senior Officials - Halifax-Dartmouth Bridge Commission

5. Senior Officials - Nova Scotia Liquor Commission

6. The Provincial Tax Commissioner and the Deputy Minister of Finance

7. Senior Officials -Path Scientific Research Limited and the Victoria General Hospital

8. Senior Officials -Teachers' Pension Commission and the Deputy Minister of Finance

9. Senior Officials -Business Capital Corporation and the Small Business Development Corporation

10. The Deputy Minister and former Deputy Minister of Government Services

11. The Deputy Attorney General, Deputy Minister of Finance and other officials responsible for Portland Estates Ltd.

12. President and C.E.O. of Nova Scotia Resources Limited

and, dependent upon discussions with the Auditor General:

-Representatives of the I. W. Akerley Campus of the Nova Scotia Community College re financial statements

-Representatives of Roseway Hospital, Shelburne, N.S. re internal audit

Following the meeting, the Committee Secretary contacted the witnesses, confirmed their appearances and set a tentative agenda for the Committee Members.

OTHER BUSINESS

Allegations by Mrs. Eileen Stubbs-
re Dartmouth Water Utility

The Chairman raised the above issue, which had been before the Committee since June of 1989. He noted that most recently, Mrs. Stubbs (in a letter dated March 5, 1990) has alleged that there has been a police cover-up of the matter.

Chronologically...

June 12, 1989 - Letter and documents from Mrs. E. Stubbs to the Chairman of the Public Accounts Committee re Dartmouth Water Utility.

June 14, 1989 - Mrs. Stubbs' correspondence was discussed at the Public Accounts Committee meeting and due to time constraints, discussion was deferred to a later date.

June 22, 1989 - Letter from the Chairman to Mrs. Stubbs indicating the Committee's decision of June 14.

November 3, 1989 - Letter from Mr. Daniel O'Connor of the N.D.P. Caucus Office to Superintendent I.E. Furey, RCMP, enclosing copies of Mrs. Stubbs correspondence of June 12 as well as a transcript of the meeting of June 14 and requesting the RCMP to take whatever action they deemed appropriate.

November 8, 1989 - Letter from Superintendent Furey, RCMP, to Daniel O'Connor, N.D.P. Caucus, suggesting that the matter be referred to the Dartmouth City Police.

November 15, 1989 - Letter from Mr. O'Connor, N.D.P. Caucus, to Chief D. Trider, Dartmouth City Police, enclosing Mrs. Stubbs' material and copies of correspondence between himself and the RCMP.

ALSO, on **November 15**, this matter was discussed briefly at a Public Accounts Committee meeting and the Leader of the New Democratic Party suggested that the Committee should leave the matter in the hands of the RCMP.

March 5, 1990 - Letter from Mrs. Stubbs to past Chairman alleging a police cover-up in the matter.

CONCLUSION...

After considerable discussion, the Committee directed the Chairman to place this matter in the hands of Mr. John Pearson, the Director of Public Prosecutions, which he did on April 12, 1990. Mr. Pearson replied on April 27, 1990 and indicated that it was not within his mandate to investigate such allegations.

On May 9, 1990, the Chairman wrote to Mrs. Eileen Stubbs, suggesting that if she had any additional evidence, she should forward it to the Dartmouth City Police Department.

AUDITOR GENERAL OF NOVA SCOTIA

April 18, 1990
April 25, 1990
November 21, 1990

As in previous years, the Auditor General was accompanied by the Deputy Auditor General and the Assistant Auditor General.

During his appearance on April 18, the Auditor General made a brief statement on the subjects of:

1) transfer payment audits -

   he reported that his staff were accorded the highest degree of cooperation and assistance in their audit of school boards and universities and were able to complete their assignments "on schedule and to our complete satisfaction".

2) Portland Estates Limited -

   referring to his appearance before the Committee on January 10, 1990, he noted that statements made by him had been deemed untruthful by the President of Portland Estates Ltd., during his appearance before the Committee on January 17. As an update, he quoted from a letter which he received from this gentleman, dated January 23, which, in effect, was an apology for comments made.

Business Capital Corporation

The Member for Cumberland West raised the above subject and referred to page 157 of the Auditor General's Report. The Auditor General was unable to elaborate on these points, although he did relate three areas of concern:

1. staffing - the absence of a Director of Finance from January to June or July 1989 aggravated the situation in terms of the necessity of a knowledgeable support person during such an audit.

2. dispersion of responsibilities - primarily among three departments/groups: the Business Capital Corporation itself, the Department of Industry Trade and Technology and the Small Business Development Corporation.

This often resulted in the department, which initiated the loan, neglecting to inform the Business Capital Corporation of the transaction. He was unclear as to whether this was a deliberate action or simply the result of a shortcoming in the process.

The Auditor General stated that, in his view, the fault does not lie with the Business Capital Corporation, as they had made every effort to keep their records up to date. He refused, however, to comment on the government policy of dividing such responsibilities between the Department of Industry, Trade and Technology, and the Department of Small Business Development. *[page 26...Hansard transcript...April 18, 1990]*

3. specific instances - i.e. Orders in Council and guarantees that were not advised to and/or recorded on the Business Capital Corporation books. He noted that six accounts were of concern, although he was unable to elaborate.

The Member for Cape Breton South noted that in his most recent and in previous reports, the Auditor General has made mention of serious financial management difficulties at the Business Capital Corporation. He asked the witness to expound on ways in which this could be addressed.

The Auditor General referred the Committee to page 160-161 of his report, in which he has made specific recommendations as follows:

Page 160

- *Accounts for all loans and guarantees of the four entities should be maintained by the staff of NSBCC.*
- *All files, including supporting documentation for security provisions, should be available to NSBCC on a continuing basis.*
- *All disbursements and guarantees must meet approval and documentation requirements established by NSBCC, and be formally approved by NSBCC prior to being initiated.*
- *NSBCC must be in a position to monitor borrower repayments, and to ensure its own minimum collection procedures and requirements are being met.*

Page 161

- *There must be a competent and independent review of compliance with loan conditions at the time of disbursement, and an active and independent monitoring of ongoing loan payments as well as compliance with all terms and conditions. In our view there should be an appropriate separation of responsibilities between those promoting and those negotiating loans; and also between those with the negotiating responsibilities and those responsible for the disbursement, compliance and collection functions.*

The Auditor General stated that the Business Capital Corporation had been quick to respond to his previous suggestions for change. He noted that much of the past difficulty associated with receiverships could be attributed directly to the changeover from the Resources Development Board.

Path Scientific Research/
Victoria General Hospital/
Victoria General Hospital Foundation:

Investments -

This subject was raised by the Member for Halifax-Chebucto. She asked the Auditor General to expand on the nature of investments in Path Scientific by the V.G. Hospital and/or the V.G. Hospital Foundation. He noted that a total of $600,000 had been jointly invested by the Foundation and ACOA and referred the Committee to page 93 of his report:

> *The original partnership agreements, signed in 1987, specify that the Foundation's investment in the partnerships is to be repaid from partnership profits and that the Foundation will share in future profits of the partnerships. Because of this earlier financial arrangement, current senior management at the Hospital and the Foundation believe it financially prudent to direct the Hospital's environmental testing business to Path Scientific Research Limited so that there will be assurance of profits to repay the investments and contribute to future Foundation revenues.*

The Auditor General agreed to provide the Committee with details of further allocations of funds to Path Scientific Research Limited from the Victoria General Hospital Foundation.

Tendering Process -

The Member for Halifax Chebucto was also concerned about the tendering process which, to all appearances, was contradictory. She noted that tendering should be competitive in order to ensure that the arrangement is as financially sound as possible.

The Auditor General agreed with her and noted that in this instance, a very delicate situation has arisen out of an operation where the doctors, partners in Path Scientific, also work for the hospital and make decisions regarding what tests shall be made and to whom they will be assigned. He noted further that there is very little competition in this field, and that Ocean Chemical may be the only other company in the area that is involved. *[page 65..Hansard Transcript..April 25, 1990]*

Internal Audit Report -

The Member for Halifax Chebucto expressed concern that the internal audit report was not subject to the public accountability process. The Auditor General explained that, in his view, such audits were meant to be a management tool and that if public scrutiny were warranted, he would address the matter in his annual report.

The Member accepted that view, but noted that despite the Minister's assurances that her concerns were unfounded, the internal audit (to which she has not had access) did nothing to address her concerns re privatization, the sweetheart deal, the profit-making basis on which the company was operating, etc.

Teachers' Pension Plan:

The Member for Truro-Bible Hill and the Member for Cole Harbour questioned the Auditor General on his role in the administration of the above-mentioned pension plan. The witness noted that the Auditor General's department has not reviewed the investment policies or portfolios and that the fund is entirely managed by the Department of Finance, specifically the Trusts and Management Division.

(Following the meeting, it was learned that the investment portfolio of the fund is managed by an Investment Committee, which is chaired by the Deputy Minister of Finance.)

Comparison/Public Service Superannuation Fund -

The Auditor General noted that, in his view, the investment and management policies of both funds were relatively the same. However, he confirmed the Members' view that while the Public Service Superannuation Fund was in a viable position, the Teachers' Pension Fund, according to an actuarial evaluation, would be in a crisis position in approximately sixteen years. He noted further that "the Public Service Plan has been quite a different one in terms of the payments meeting the cost of benefits ...." *[p. 40 - Hansard Transcript - April 18, 1990]*

Although he suggested the Member direct his concerns to the actuary of the Teachers' Pension Fund, he agreed that an increase of 1% in contributions would delay the cash flow crisis facing the plan.

Unfunded Liability -

The Member for Truro-Bible Hill expressed his confusion over the above-mentioned concept and the Auditor General agreed that it is an extremely complex issue. He noted that "it is an attempt to quantify in present day dollars the difference between what is in the investment portfolio and what is a liability for benefits earned to date, not only for those currently on pension, but for those who are currently in the system and have already accrued some benefits." *[p.37 - Hansard transcript - April 18, 1990]*

NSLC - Bayers Lake Warehouse:

The Member for Cape Breton the Lakes *(substituting for the Member for Cape Breton South on April 25)* questioned the Auditor General extensively on the method of calculating the loss of public funds in the lease/purchase arrangement, as opposed to outright purchase, involving the above facility. The Auditor General, in his report, had calculated, at the borrowing rate of 12.4%, that the loss was approximately $1.3 million. He conceded, however, that the proper rate to use would have been 9% and that the loss would be (in today's dollars) in excess of $4 million.

The Member for Cape Breton the Lakes then queried statements in the Auditor General's report (page 74) which indicate that, despite being the more expensive of two equally qualified proposals, the Canterbury/Corkum proposal was chosen and that this choice resulted in a cost of 20% (or $1.9 million) in excess of the Eastport proposal. He noted, however, that this cost does not reflect financing charges over a 25 year period which would actually result in a much higher cost. The Auditor General agreed.

The Member for Cumberland West asked the Auditor General to provide copies of the scoring sheets used by the Nova Scotia Liquor Commission in the decision-making process of this venture. The witness stated that he would look into the propriety of releasing information that, in effect, are a part of another department's files. He suggested that the matter could be discussed in more detail with representatives of the Nova Scotia Liquor Commission during their appearance before the Committee.

The Member for Cumberland West stated that based on the process used in this business deal, it appeared to have serious political implications, given that the successful proposal was made by friends of the government. He queried whether the Auditor General had taken that into consideration. The witness stated that he had criticized the deal based on the financial aspects and was not at liberty to comment on personalities.

Other Related Matters

Effectiveness - Public Accounts Committee - To a point raised by the Member for Cole Harbour, the witness stated that he had some concerns about the way in which the Public Accounts Committee functions. The Chairman referred the Auditor General to several areas that had been improved upon in recent years and requested the Auditor General's cooperation in impressing upon government, the need for more resource staff. Upon a Motion by the Member for Halifax Chebucto (amended by the Member for Cumberland West), it was agreed that the Auditor General should provide the Committee with a written report on his views regarding the operation of this Committee.

The ensuing report by the Auditor General was discussed at a meeting held on November 21, 1990. *[See Appendix XII - Matters for Consideration]* As a result, a Steering Committee was struck to establish procedural reform for the Public Accounts Committee. The Steering Committee met with the Auditor General on January 23 to obtain further input on this important matter. *[See Appendix XII - Chronology]*

The Steering Committee Report to the Public Accounts Committee was revised by the full Committee over a period of several weeks and the final version was approved on May 15, 1991.

Roseway Hospital, Shelburne, N.S. - To a query by the Member for Halifax Chebucto, the Auditor General stated that he would be reviewing the internal audit of the Roseway Hospital on behalf of the House of Assembly. The Member expressed her hope that the Auditor would step up his review and report back to the House in less than a year.

Upper Clements Theme Park - The Member for Cumberland West queried the Auditor General on the financial statements for the park. The Auditor General stated that, although he had not seen the financial statements yet, Doane Raymond of Digby indicated that it was "a clean opinion". *[page 44...Hansard transcript..April 18, 1990]*.

Material to be Forwarded to Committee by Witness
(See Appendix II)

PROVIDED

1. Upper Clements Theme Park-audited financial statements.
2. Provincial Tax Commission - tax write-offs.
3. Details of Extra Appropriations - over $200,000.
4. Victoria General Hospital Foundation/Path Scientific Research - Schedule of Advances
5. Public Accounts Committee - report on improvement in effectiveness

NOT PROVIDED

1. Nova Scotia Liquor Commission - scoring sheets re Bayers Lake Warehouse

   Note: this item was provided by the Nova Scotia Liquor Commission

NOVA SCOTIA POWER CORPORATION

May 2, 1990

The President of the Nova Scotia Power Corporation appeared before the Committee, accompanied by the Vice-Presidents of: Engineering & Production, Finance, Planning & Development, and Customer Services. He circulated a copy of his opening remarks (a copy is available in the Legislative Library) and spoke briefly on the following topics:

-Finances
-Environmental Protection
-Generation
-Benefits to Province
-Revenue

Remuneration of NSPC Officials -

To questions by the Member for Cumberland West, the President of NSPC declined to be specific about his personal salary. After some discussion, he agreed that a calculation of 78% of $150,000 plus a recent increase of 6.3% would be "somewhere in the vicinity". He stated further that his contract runs until March 1993. He did note, however, that he has a company car at his disposal - an Oldsmobile 88.

The Member also expressed interest in the fees paid to Members of the NSPC Board of Directors. The witness advised the Committee that there are 12 Members of the Board who are paid an annual retainer of $2,500 each and receive an additional $100 for each meeting they attend. The Chairman of the Board receives an additional $7,000.

Trip to Japan -

In response to questions by the Member for Cumberland West, the witness denied that the airline tickets and expenses for NSPC officials (himself and two others) were paid for by Mitsui of Japan.

The witness stated that the expenses for the Premier, who was in Japan at the same time, were not paid for by NSPC.

He noted that three relatives did accompany the NSPC officials, but although two of those airline tickets "...might have been bought by the Nova Scotia Power Corporation, but it doesn't mean they were necessarily paid for by the Nova Scotia Power Corporation".

A request was made to him by the Member for Cumberland West and by the Member for Halifax-Chebucto for a complete accounting of that trip, to which he replied, "I might" and

"....if it is of importance to Nova Scotians". *[pages 101 and 103..Hansard transcript..May 2, 1990]*

Point Aconi -

In response to questioning by the Member for Cape Breton South, the witness noted that the actual cost of the entire Point Aconi project would be approximately $500 million in 1993-94 dollars.

He noted further that the Mitsui contract for the construction of Point Aconi is worth $285 million. A part of the agreement is that $105 million is to be allocated for the participation of Nova Scotia firms - including consulting services, equipment and bulk material supply and construction. Mitsui was provided with a list of Nova Scotia firms, and their fields of specialization. The witness noted that, as the Mitsui contract is not yet finalized, it cannot be considered a public document.

The Member for Cape Breton North inquired about the need for additional power in Nova Scotia. The witness noted that, over the past decade, the NSPC has averaged an increase of 4.5% per year. However, in the past two to three years, the average increase is 7%. Growth in the next decade is estimated to average 3.5% per year. The witness expressed the view that, despite the construction of Point Aconi, more plants will be needed to keep up with the demand.

The witness also noted that a community liason group has been established to share information with the public. Employment levels at Point Aconi are estimated to be: 85-90 permanent jobs and about 400 jobs during construction.

Westray Mine -

The Member for Cape Breton South was assured that the Westray Mine should be operational and in full production in mid-1991, as promised. The commercial operation date for Trenton 6 is October 1991. However, in the event that Westray is not ready in time, a backup plan provides for coal to be purchased from Devco. Trenton 6 has been designed to accommodate coal with a higher ash content, therefore NSPC does not anticipate any problems in getting a coal supply.

In response to the Member for Pictou West, the witness explained that Trenton 6 is expected to be finished on schedule and, Unit 5 will continue to operate at normal capacity, while Units 3 and 4 will have limited use.

The Member for Cole Harbour asked the witness to explain how the production of coal at Westray will effect the Devco operation. He was told that there will be no reduction - rather, Devco production should increase by 50% over the next ten years. *[page 125..Hansard transcript..May 2, 1990]*

Environmental Concerns -

Point Aconi:

To concerns raised by the Member for Halifax-Chebucto, the witness stated that NSPC has been co-operating extensively with the Federal Government regarding the environmental assessment of Point Aconi. He noted that approval has been given for the bulk of the transmission lines, but NSPC is still waiting for a permit for the Woodbine substation, the major station for Point Aconi.

To a comment by the Member for Halifax-Chebucto, the witness indicated that the Integrated Gassification Combined Cycle (IGCC) process, whereby CO_2 emissions are greatly reduced, is currently being developed. NSPC are participating with the Coal Association of Canada and the Federal Government in this project to determine the viability of commercially developing gas from coal. If this process can be incorporated into the Lingan operation, it will drastically reduce the CO_2 emissions.

Many points were raised by the Member for Cape Breton North. In response, the witness noted that NSPC had spent $1.5 million on environmental assessments and studies. He stated that Nova Scotia is not the only province that burns coal for energy, i.e. 90% of Alberta's energy and 25% of Ontario's energy are produced by coal. At this point, he noted, there has been insufficient evidence to warrant concern over electromagnetic fields. The ash that will be produced at Point Aconi is non-toxic. NSPC has made efforts to protect the fishery at Point Aconi and are satisfied that their efforts will be successful. They are also very optimistic that the Point Aconi plant will not have a negative impact on livestock at Lingan.

Conservation:

To a request by the Member for Cumberland West, the witness explained that a company from Atlanta, Georgia - Energy Management Associates are doing a study for the NSPC. This project will include conservation, load management and the impact of electric heat on the Nova Scotia power system. This project will cost approximately $200,000 and although the project was not tendered, the NSPC believe the firm to be very credible. The Member expressed regret that no effort had been made by NSPC to find a capable Canadian firm.

The Member for Halifax-Chebucto expressed concern that NSPC conservation methods have appeared, to date, been tokenism and public relations. The witness strongly disagreed with that view and stated that they are actively studying conservation methods that would be appropriate for Nova Scotia. He also noted that Nova Scotians, per capita, use about one-half the energy used by all Canadians. The average per capita consumption in Nova Scotia is 9,000 kilowatt hours per year (industrial and domestic).

Other Related Matters

Bluenose Project - expenses related to the project for the year ended March 31, 1990, are in the area of $75,000 and were used for consulting studies related to a sea electrode. *[page 96..Hansard transcript..May 2, 1990]*

Public Opinion Polls - Corporate Research Associates Inc. and Decima Research Limited conduct polls for NSPC at a cost of approximately $30-35,000 per survey.

Rates - Small Power Producers - to be resolved by the Public Utilities Board.

Rural Electrification Act - the Province has not made payments since 1984-85 and although the Province contends it does not owe anything, the NSPC estimates the debt is accumulating at $4.5 million per year.

Material to be Forwarded to Committee by Witness:
(See Appendix III)

ITEMS PROVIDED

1. copies of polls (questions & results)
2. costs of polls
3. list of contractors & their specialities which were provided to Mitsui
4. monies paid to Mills Heavy Hauling Ltd.
5. reason for the withdrawal of a tender request - trucking services
6. dollar value of bonds issued by series and year

ITEM NOT PROVIDED

1. complete accounting of Japanese trip

NATIONAL SEA PRODUCTS LIMITED

May 9, 1990

Due to the current crisis facing the fishing industry, it was the unanimous decision of the Committee to invite the President and senior officials of National Sea Products Limited to appear before them. Due to a prior commitment, the President was unable to attend, and the Vice-President of Intergovernmental Relations appeared on his behalf. He was accompanied by the Controller. The Vice-President made an opening statement to the Committee, in which he addressed the efforts of his company in the following areas:

- conservation and management
- the marketing imperative
- economic diversification
- cooperation rather than confrontation

Plant Closures

The Member for Cape Breton South remarked on statements made by the witness in his opening remarks which left the impression that National Sea Products Limited was deserving of praise, when in his view, they had made rather callous decisions effecting the lives of many Nova Scotians. The witness defended his comments by noting that National Sea cannot be held responsible for the decline in fish stocks or for the reduction in their quotas.

The witness stated, in response to a question from this Member, that fish previously processed at Canso and Lockeport are now being processed in Louisbourg, Lunenburg, North Sydney and also in Burgeo and Arnold's Cove, Newfoundland. *[page 151 - Hansard transcript - May 9, 1990]*

Deal to Save the Canso Plant -

The Member for Cape Breton South questioned the witness on the status of the current deal to save the Canso plant. However, he refused to comment on any aspect of the ongoing negotiations.

To a question by the Member for Cumberland West, the witness acknowledged that, following a February meeting with the Premier, National Sea had concluded that a deal had been reached. Further, he felt that his past involvement with the Premier's political campaigns had no bearing on this opinion.

The Member for Halifax-Chebucto was concerned that the workers at the Canso plant should be paid for the five days they were denied, when the plant was shut down prematurely. The witness stated that this would not happen but declined to give a reason.

Community Involvement -

The Member for Halifax-Chebucto expressed concern that members of the fishing communities were not being kept apprised of changes in the industry that would directly affect them. The witness disagreed. He noted that National Sea had shown considerable leadership in the industry by cooperating fully with its workers, and providing them with all pertinent data, such as that requested by the Member. However, he was evasive in responding to the Member's request for that information to be provided to the Committee. *[pages 141-142.. Hansard transcript..May 9, 1990]*

Unprocessed Fish to United States

The Member for Clare (who was substituting for the Member for Kings North) raised the issue of shipping unprocessed fish to plants in the United States, rather than keeping them for our own plants. The witness stated that the company has made every effort to reduce the amount of fish associated with this practice, but noted that it is a difficult issue, which is further complicated by the fluctuating Boston market and the General Agreement on Tariffs and Trade (GATT). He stated also that, as Newfoundland is not a traditional source of supply for the Americans, it has never been subjected to the same pressures as Nova Scotia. *[pages 147-148..Hansard transcript..May 9, 1990]*

The witness was unable to be specific in response to the Member for Cape Breton South regarding the amount of fish from Canadian waters that National Sea forwards to the United States for processing. The Member further noted that he had received several complaints that National Sea had been dumping on the Boston market, and asked if the company had been doing so to improve its profit picture over the past six months. However, the witness refused to directly address this point. *[page 152..Hansard transcript..May 9, 1990]*

The Member for Cumberland West requested that the Committee be provided with data relating to the amount of unprocessed fish being sent to the United States. However, the witness would not directly answer the Member. Therefore, the Member for Halifax-Chebucto repeated the request. Again, the witness would not answer directly. *[pages 153 and 154..Hansard transcript..May 9, 1990]*

Dumping

The Member for Clare (substituting for the Member for Kings North) raised the issue of dumping at sea. The witness stated that while all companies do engage in dumping, in many instances, there is no other choice.

The Member for Pictou West expressed the view that there should be an option whereby such fish can be brought ashore and sold at a reduced rate to hospitals or charitable institutions. The witness agreed and noted that such a course of action has been discussed at National Sea.

The Member for Halifax-Chebucto requested that the witness provide the Committee with statistics relating to the amount of fish that is discarded or dumped by National Sea. The witness gave no commitment to provide this data. *[page 154..Hansard transcript..May 9, 1990]*

Financial Status

The Member for Cape Breton South inquired about the reinvestment of profits. The witness replied that of the profits for 1986 and 1987, $94 million was reinvested in Canada, all but $15-16 million of which was invested in Nova Scotia and Newfoundland.

Federal Investment -

In response to the Member for Cumberland West, the witness noted that, although there were no government subsidies at the time National Sea was restructured in 1984, the Federal Government did invest in the company. At that time, they invested $10 million in second preference shares. Currently, however, they hold 19% of the outstanding shares.

Provincial Investment -

The Member for Cumberland West also expressed interest in investments made by the Provincial Government. The witness noted that the province holds $5 million in second preference shares, for which it has received dividends. It also has 100,000 non-voting equity shares, and 100,000 common shares, which were paid out as dividends on the second preference shares.

In addition, the Province has loaned National Sea Products approximately $17 million.

Other Investors -

> The witness, in response to a question from the Member for Cumberland West, listed the following major shareholders: Scotia Investment Limited - 28.71%; Halifax Developments Limited - 15.99%; The Bank of Nova Scotia - 13.02%. The remaining shares are widely held. *[see pages 133 to 135..Hansard transcript..May 9, 1990]*

Cape North

The Member for Cape Breton South noted that he had received complaints that the National Sea freezer trawler, Cape North, was fishing in an area reserved for the inshore fishery. To this, the witness, replied that the only restrictions on where the Cape North is to fish is that it remain outside the 12 mile limit, which it has consistently done.

The Member suggested that as the Cape North takes a much larger quantity of fish, it would be more reasonable for it to be competing with other freezer trawlers rather than offshore fishermen. This appears to be the practice with the foreign fleets. The witness noted that National Sea feel that, more importantly, we should be looking at the traditional percentages of fish being taken by different fleets. He noted further that a comparison between the practices of National Sea and of foreign fleets is unfair, because they come from very different economic structures.

Other Related Matters

Designated Ports for Draggers - The witness noted that in their presentations before the Hache Task Force, National Sea fully supported this principle.

Differences of Opinion: Scientists and Fishermen - Fishermen are concerned that scientific data is inaccurate because it is collected in the Fall before spawning occurs and at a time when the cod are dispersed. The scientists, however, feel that since they do their study at the same time every year, they are able to make accurate assessments.

Material to be Forwarded to Committee by Witness
(See Appendix IV)

PROVIDED

1. the National Sea quota (in pounds) for the past three or four years -and- how much of it was caught
Note: provided for 1989 only

2. re Cape North: a breakdown of the catch and tonnage per species in the past two years

3. year by year analysis of amount of unprocessed and fresh fish National Sea has sent to the Boston and U.S. market over the last ten years
Note: provided for the first quarters of 1989 and 1990

4. breakdown of the duties of the 22 vice-presidents of National Sea and their salaries
Note: salaries given in one lump sum...not individually

5. if during the past five years, National Sea has been prosecuted by the Department of Fisheries and Oceans

NOT PROVIDED

1. the amount of fish processed in each National Sea plant for 1988 and 1989

2. tonnage of fish, by species, that has been discarded or dumped over a five year period

HALIFAX-DARTMOUTH BRIDGE COMMISSION

May 16, 1990

The Chairman of the Board of Bridge Commissioners appeared before the Committee on May 16, 1990. He was accompanied by the Secretary to the Board, the General Manager and C.E.O and the Treasurer/General Manager of the A. Murray MacKay Bridge. The Chairman gave a very brief opening statement, indicating that, in the view of the Commission, 1989 had been a very successful year.

Administration

Both the Member for Cape Breton South and the Member for Halifax-Chebucto commented that a more efficient method of operation may be for the bridges to be managed through the Department of Transportation and Communication. The witness, however, disagreed. He noted that, the history of such arrangements in other jurisdictions, indicates that such a change could have a detrimental effect on the maintenance of the bridges.

Staffing -

In response to questions by the Members for Cape Breton South, and Cumberland West, the witness stated that there are currently 22 full-time staff members at the Bridge Commission. Staff salaries and benefits currently amount to a total of $700,000 per year.

He noted also that the General Manager and C.E.O., at present, receives a salary of $47,600 and the General Manager/Treasurer of the A. Murray MacKay Bridge receives $42,000 per year. An honorarium of $9,600 is paid annually to the Chairman, as well as $75 per meeting and modest travel allowances. The Secretary to the Commission receives an annual honorarium of $6,000 plus $75 per meeting. Meetings are held approximately five times per month.

In addition, the Commission has a contract with the Canadian Corps of Commissionaires to provide 45 personnel. The cost of this contract in the past year was $976,000.

Debt Retirement Plan

Status of Debt -

In response to the Member for Cumberland West, the witness noted that when the MacDonald Bridge was first built, it was financed through a bond issue from New York banks and guaranteed by the Province. Due to this method of financing, all but $3 million of the debt had been repaid when the MacKay Bridge was built. This $3 million was incorporated into the MacKay Bridge debt, bringing it to a total of $39 million. As this appeared to be a successful method of financing the earlier debt, the Member questioned why a similar method had not been used in the management of the current debt. The witness, however, did not have the information available to him. *[page 184..Hansard transcript.. May 16, 1990]*

He conceded that, presently, any efforts to reduce the debt, which is currently at 125 million Swiss Francs, are subject to a very volatile foreign currency market. He noted also that the debt at the end of 1979 was $96 million (Canadian) and ten years later, it stands at $105 million (Canadian). *[page 172..Hansard transcript ..May 16, 1990]*

He also noted that the debt service for this year is estimated to be $9.5 million, while the previous year it was $6.5 million. This is due to a floating rate, which this year stands at 9.125% and last year was at 6%.

Financial Advice -

To a query from the Member for Cumberland West, the Witness replied that the Commission takes its advice from its Debt Service Committee. As a result of discussions with the provincial advisor on this committee, the Commission has concluded that there would be no advantage to borrowing through provincial debt issue. *[page 165..Hansard transcript..May 16, 1990]*

In reply to the Member for Cape Breton South, the witness indicated that the Commission consults regularly with the Deputy Minister of Finance.

Operating Losses -

The witness indicated that when the Commission has experienced operating losses, it has been reimbursed by the province. The Member for Cumberland West expressed concern that the other two partners in this arrangement (the Cities of Halifax and Dartmouth) have not been approached about contributing their share. *[page 194.. Hansard transcript..May 16, 1990]*

Toll Increases -

The witness denied recent newspaper reports that he was anticipating an increase in the near future. He explained to the Member for Cape Breton South that he had been misinterpreted and noted also that, when considering a toll increase, the Commission is not obliged to consult with the Department of Finance. *[page 169.. Hansard transcript..May 16, 1990]*

In reply to the Member for Halifax-Chebucto, he indicated that, as a result of the application made to the Public Utilities Board in 1989, the Commission has been required to do several studies before again applying for an increase. The Commission will next appear before the PUB in 1992. *[page 174..Hansard transcript.. May 16, 1990]*

Traffic Flow -

The witness stated that an estimated increase of 1% in traffic flow has not occurred. This is coupled with a decrease of 2.6% last year. He attributed this to several reasons, including the lack of adequate parking in downtown Halifax and the subsequent increase in ridership on Metro Transit. He noted that, although the Commission has an annual contract with Metro Transit of $70,000, this covers approximately 200 buses per day.

Debt Retirement Plan-

To a question by the Member for Halifax-Chebucto, the witness noted that the Commission had presented to the Public Utilities Board, a plan to eliminate the debt over a period of twenty years. However, the necessary approval in toll increases was not approved and therefore, the plan cannot be put into effect.

Improvements

The Member for Cole Harbour was concerned about a change that is proposed for the Robie Street exit of the MacKay Bridge. The witness stated that the proposal, which will cost approximately $4 million, will see the Robie Street ramp lowered by 19 feet and made into a double lane to allow for a large increase in traffic flow. Negotiations to purchase a necessary parcel of land from Canadian National Railways should be complete by June 30. Construction is estimated to be completed by the Spring of 1991. *[page 176.. Hansard transcript..May 16, 1990]*

In reply to the Member for Cumberland West, the witness noted that the financing of this project is yet to be determined. He will be discussing this with the Deputy Minister of Finance, in the near future.

Other Related Matters

Accident Investigation - The witness noted that a 1989 accident on the bridge that claimed the life of a taxi driver has been determined by an investigation, to have resulted from deck conditions. He noted further that no lawsuits have resulted from the accident.

Additional Lanes - It has been determined that an additional lane could be added to the MacDonald Bridge, however, the need has as yet to be determined.

Berms - Protective berms have been installed and are designed to deflect a ship as large as a container ship.

Engineering Consultants - Whitman Benn is the principle consultant for the Commission and has been so since 1973. Their experience and expertise in this area is the reason that this has not been tendered, although smaller projects are tendered on occasion.

Insurance Coverage - The witness advised that the Commission holds $125 million in property insurance with Reed Stenhouse and Co. The insurance on their 16 vehicles is also with this firm, although not on a blanket policy.

Material to be Forwarded to Committee by Witness

(See Appendix V)

PROVIDED

1. a copy of the submission made to the Public Utilities Board by the Commission in September 1989

VICTORIA GENERAL HOSPITAL and PATH SCIENTIFIC RESEARCH LIMITED

May 23, 1990

In an effort to become more aware of the working relationship between the two groups, the Committee invited representatives of the Victoria General Hospital and Path Scientific Research Limited to appear before the Committee.

Appearing on behalf of the Victoria General Hospital were: the Chairman of the Board of Commissioners, the President and C.E.O., the Special Assistant to the C.E.O. (and former Director of Finance) and the Chairperson of the Victoria General Hospital Foundation.

Appearing on behalf of Path Scientific Research Limited were: the President and the Director.

The Victoria General Hospital witnesses declined the offer to make opening remarks. The President of Path Scientific spoke briefly on the history and mandate of his organization.

Victoria General Hospital...

Budget Restraints

In reply to the Member for Cape Breton South, the witness noted that the new budget has not been fully analyzed according to cost centres, but that they do expect that the estimated 5% decrease will greatly effect some areas of the hospital, most notably in the areas of research, drugs and equipment needs. It is not expected, however, to have a direct effect on the number of patient beds.

He noted further that, although the budget does contribute to a reduction in programs, such as heart surgery, decisions to do so are also based on issues such as stress and burnout of operating room staff.

The Member for Cole Harbour stated that it was his impression that the overall budget had increased, rather than decreased. The witness agreed that while the actual dollars had increased, the amount has not kept pace with the rising costs of drugs, etc. and therefore, the hospital is left with a shortfall. *[pages 234-235..Hansard transcript..May 23, 1990]*

The Member for Cumberland West expressed concern that in the past ten years, the hospital has overextended its budget by several millions of dollars. The witness explained that this is not due to poor management, but rather to a lack of the funds necessary to maintain a hospital of this calibre. He conceded, however, that some areas could be made more efficient. *[pages 204-205..Hansard transcript..May 23, 1990]*

Out-of-Province Patients

In response to a question from the Member for Cumberland West, the witness noted that the Victoria General Hospital was unable to recover all of its costs in relation to out-of-province patients due to the Canada Health Act allowance of no more than a $600 per diem reimbursement. Costs associated with these patients amount to considerably more. It is estimated that the losses range from $1-2 million. *[pages 207-208..Hansard Transcript..May 23, 1990]*

Privatization

The Member for Cumberland West was concerned about the financial aspects of the plan to privatize the Victoria General Hospital. The witness noted that 'privatization' is not an appropriate term in this case, because, in actual fact, the hospital will still be a public agency, responsible to the Department of Health and Fitness.

Other Related Matters

Accountability - Drugs The witness reported that the problem experienced in the past was related to a deficiency in the audit system rather than missing drugs.

Ambulance Fees - The witness advised the Committee that a policy had been instituted whereby patients being transferred between hospitals would be charged a fee of $60.00 (round trip) for ambulance service.

Auditor General - Meetings The witness noted that the hospital Finance Committee has met frequently with the Auditor General and his staff. He noted further that all 35 recommendations made by the Auditor General will be addressed by the Fall.

Path Scientific Research Limited...

Non-Profit Status

In response to a comment by the Member for Halifax-Chebucto, the witness insisted that PSR had not violated the terms of its agreement with the Department of Health by operating on a for-profit basis. He stated that although the original intent was to be non-profit, a study of the Revenue Canada stipulations resulted in a decision being made for PSR to become a service company. He noted further that, although the mechanisms were in place, they did not become a for-profit organization until recently. Path Scientific Research Limited is now occupying a separate facility. *[page 211..Hansard transcript..May 23, 1990]*

The Member for Cole Harbour was concerned that there may be an incorrect perception that the partners in PSR were making great personal financial gains from their association with the Victoria General Hospital and the VG Foundation. The witness stated that the partners are not entitled to take salaries and that profits go to the VG Foundation and back into PSR as working capital. He noted that some monies did go into their group practice.

Audited Financial Statements

The Member for Halifax-Chebucto insisted on a copy of the audited financial statements of Path Scientific being tabled with the Committee. The witness appeared to be reluctant to agree to this, and referred the Member to audited statements provided on behalf of the partnerships. The Member, however, was concerned with the actual professional fees, reimbursements to the partners themselves, which did not appear on the statements provided. After being requested several times, the witness agreed to consider the matter. *[page 232..Hansard transcript..May 23, 1990]*

Other Related Matters

Ocean Chem - The witness noted that PSR is currently considering an amalgamation with Ocean Chemical. The newly formed company would have six principals - three from each organization.

Research and Consulting Services - The witness noted that water tests, that previously had to be sent to Ontario or to Boston, were now being performed by PSR. Some of the witness' figures appeared to be in contradiction to figures that were provided to a Member by another source, therefore a request for a breakdown of services was requested.

Material to be Provided to Committee by Witness
(See Appendix VI)

PROVIDED

1. Audited Financial Statements for Path Scientific Research Limited

NOT PROVIDED

1. Breakdown of $1.2 million of consulting and research services performed last year and percentage of private contracts (PSR)

TEACHERS' PENSION COMMISSION and
DEPARTMENT OF FINANCE
May 30, 1990

The Committee is concerned about the current state of the unfunded liability of the Teachers' Pension Fund and, in addition to discussions with the Auditor General on this subject, invited the officials directly involved with the fund to appear before them.

The Executive Director of the Teachers' Pension Commission and a Teacher's Representative on the Commission, were accompanied by the Actuary of the fund. In addition, the Deputy Minister of Finance, who oversees the investment of the fund, was also in attendance.

Administration of Fund

Background -

In response to the Member for Cape Breton South, the witness noted that the fund was set up, in its present form, in 1949, and that a similar investment strategy was followed from the beginning. He stated that previous governments had no responsibility for the current state of the fund. *[page 242..Hansard transcript..May 30, 1990]*

Administrators -

In response to the Member for Cumberland West, the witness noted that the Custodian of the Fund is the Minister of Finance and that, although investment of the fund is partially managed in-house by the Department of Finance, equity portions are handled by professional investment managers. Recommendations on fund policies are made by an Investment Committee. Representatives on that committee are: the Deputy Minister of the Civil Service Commission, the Chairman of the Teachers' Pension Commission, the Chairman of the Workers' Compensation Board, and a number of Department of Finance staff. *[page 247..Hansard transcript..May 30, 1990]*

Increased Operational Costs -

The Member for Cumberland West noted that there had been a growth of 100% in Commission staff salaries since 1986 and he was very concerned to learn that the only justification for that additional expenditure was the addition of one full-time staff member. *[page 243.. Hansard transcript..May 30, 1990]*

The witness advised the Member that the increase of 60% in costs for professional services had resulted primarily from the installation of a new computer system.

Unfunded Liability

General -

The witness explained, in response to the Member for Cape Breton South, that unfunded liability is the difference between the actuarial liabilities and the assets. The current unfunded liability is between $900 million and $1 billion. He noted that the government and the Nova Scotia Teachers' Union have formed a committee to study all viable options for effective change. *[page 240..Hansard transcript..May 30, 1990]*

The Member for Truro-Bible Hill was concerned about the government's legal obligations regarding the unfunded liability. The witness stated that, as specified in the Teachers' Pension Act, government is legally obliged to ensure a reasonable rate of return on investments, specified at 4%. This is the full extent of the government's responsibility. *[page 251..Hansard transcript..May 30, 1990]*

The witness also stated that the Nova Scotia plan ranks fourth best in Canada and is on par with the province of British Columbia. He noted that the other Atlantic Provinces have plans that are in a considerably worse state than ours.

Actuary -

The current actuary has been advising the Nova Scotia Teachers' Pension Commission since 1965, but, as the Member for Cumberland West noted, much of his advice has gone unheeded. The Executive Director of the Commission was unable to give a satisfactory reason for this inaction. The Actuary advised the Member that after the year 2007, the fund may be forced to sell off assets to pay benefits. *[page 262..Hansard transcript.. May 30, 1990]*

Solutions -

While every effort is being made to find a solution to this problem, the witness noted that there is no easy answer. In response to the Member for Cape Breton South, he noted that, in order to stop the unfunded liability from growing, contributions must double for each partner. While over the past two years contributions have covered what is being paid out, in previous years, payouts were greatly in excess of contributions. *[page 240..Hansard transcript..May 30, 1990]*

The Witness agreed with the Member for Truro-Bible Hill that, in seeking a solution, two areas must be seriously considered: 1) an increase in contributions and, 2) restrictions on additional benefits or enrichments to current benefits. *[page 251..Hansard transcript..May 30, 1990]*

Investment Policies

In reply to the Member for Cape Breton South, the witness advised that 67% of the fund is in fixed assets and that 75-80% of it is managed in-house by the Department of Finance. The remainder is distributed among local investment dealers. The fixed investment is comprised of a mixture of Government of Canada and Provincial bonds. Short term investments have been made in treasury bills and G.I.C.s. *[pages 247-248.. Hansard transcript..May 30, 1990]*

Comparison - Public Service Superannuation Fund

The witness, in response to the Member for Truro-Bible Hill, stated that both funds have been managed by under basically the same criteria since their inception. However, the unfunded liability of the Superannuation Fund is modest in comparison ($250 million). It is considered to be one of the most viable funds in Canada (in excess of 75% funded). *[pages 249-250..Hansard transcript..May 30, 1990]*

He noted further that any suggestion that investment policies are the cause of the problem with the Teachers' Pension Fund, are totally inaccurate.

The Teachers' Pension Plan has many more retirement benefits than the Superannuation Plan.

Teacher Awareness

The Member for Cole Harbour was greatly concerned that teachers do not appear to be fully aware of the gravity of the state of their pension fund. He questioned the methods used to keep them informed and suggested that there was room for a great deal of improvement. In responding, the witnesses felt that, although some positive steps had been taken in this regard, more action was needed.

The Member suggested that, before the teachers were asked to vote on suggested enhancements to the plan, the Commission and the Pension Committee of the NSTU should present them with a detailed cost analysis, making particular note of the effect on the unfunded liability. *[page 267..Hansard transcript..May 30, 1990]*

Other Related Matters

Teachers' Representative - The witness stated that the representative is elected at Annual Council. The current representative is in his fourth year, second term. He sits as a member of the NSTU Teachers' Pension Committee.

Credit Rating - The witness reported that the unfunded liability has no direct relationship to the province's credit rating.

Material to be Provided to Committee by Witness
(See Appendix VII)

PROVIDED

by Deputy Minister of Finance

1. Province of Nova Scotia Annual Report of the Investment Committee/Teachers' Pension Fund for the year ending March 31, 1989.

by the Teachers' Pension Commission

1. Pension Submissions from NSTU to Minister of Education for 1987, 1988 and 1990

NOVA SCOTIA LIQUOR COMMISSION

June 6, 1990

Representatives of the Nova Scotia Liquor Commission were invited to appear to discuss various aspects of their operation. The General Manager and C.E.O. was accompanied by the Executive Director, Retail Services and the Executive Director, Corporate Services. At the time of their appearance, the Nova Scotia Liquor Commission was involved in a labour dispute and their workforce had taken legal strike action.

Finances

Profit Margin -

The Member for Cape Breton South asked for an explanation of the fact that in the past five years, there has been a decline on sales of 5%, while operating expenses have increased by 18%. The witness noted that since 1985, an effort has been made to study and revise the NSLC pricing policies, and as a result, average mark-up has declined. *[pages 274-275..Hansard transcript..June 6, 1990]*

G.S.T. -

The witness, in reply to the Member for Cape Breton South, indicated that while the G.S.T. will effect only a marginal increase in the prices of spirits and wine, the consumer may see a marked increase in beer. *[page 277..Hansard transcript..June 6, 1990]*

Labour Strike

Injury on Picket Line -

The witness noted that the person allegedly responsible is a member of management, the Director of Advisory Services, and since the incident is under investigation, declined to comment further.

Staffing..Conversion Policies -

The Member for Halifax-Chebucto stated that she had received numerous complaints about NSLC staff classification policies. Both she and the Member for Lunenburg West (who was substituting for the Member for Cape

Breton North) asked the witness to explain the policy regarding the conversion of staff to full-time permanent status.

The witness noted that the union agreement stipulates that full-time staff cannot be rotated from store to store. This causes administrative problems because it is essential to have that flexibility. Therefore, he noted, it is not a simple matter to convert Casuals with Benefits to Permanent employees. *[page 291..Hansard transcript..June 6, 1990]*

To a query by the Member for Cole Harbour, the witness replied that, if the NSLC agreed to Union demands to convert the Casuals with Benefits to Permanent employees, it would be necessary to hire an additional 100 employees at a cost of several million dollars. *[page 293..Hansard transcript..June 6, 1990]*

Possible Conflict of Interest -

The Member for Halifax-Chebucto questioned the possible conflict for the Minister in Charge of the Nova Scotia Liquor Commission, during this labour dispute, since he is also the Minister of Labour. The Member for Hants West (who is also the Minister in question) stated, for the Member's information, that this issue was dealt with at the start of conciliation and that neither party felt there was reason for concern.

Bayers Lake Warehouse

The Member for Cape Breton The Lakes (who was substituting for the Member for Cumberland West) questioned the decision to choose the more expensive Canterbury-Corkum group proposal over the proposal made by Eastport Properties Limited, when it was clear that both proposals were equally viable. He noted further that the Auditor General, in his appearance before this Committee had expressed concern over this decision, and had noted that it represented an additional cost to the Nova Scotia taxpayer of several millions of dollars.

The witness, in his reply, noted that the matter had not been taken lightly and had been thoroughly researched by a group made up of senior financial staff, senior property staff, members of the Board of Commissioners and an outside consultant. He also noted that the a recommendation was made to the Minister, that if funds were not available, a lease-purchase agreement would be their choice. The Minister then referred the matter to Cabinet for a final decision. *[page 279..Hansard transcript..June 6, 1990]*

The Member referred to the Auditor General's opinion that the facility appeared to be much larger than necessary. The witness noted that, in the past, stocks were spread over a wide area, in many locations. The new facility would provide a primary storage area.

Trade Agreements

The Member for Hants West (who was substituting for the Member for Pictou West) questioned the witness on the effects of the General Agreement on Tariffs and Trade, the Free Trade Agreement and interprovincial trade agreements. The witness noted that the effect will be felt primarily in the area of pricing. They are trying to establish a cost service differential that would allow an additional mark-up on imported products. Another area is the shelving policy. NSLC can no longer assign prime space to Nova Scotia products, as the imported products are to be given equal access. He noted, however, that NSLC is permitted to identify Nova Scotia products for the consumer. *[pages 287-288.. Hansard transcript..June 6, 1990]*

Other Related Matters

Farm Wineries - The witness noted that, since they are permitted to sell outside of the NSLC, this has a detrimental effect on the profits of the commission. He stated that there has been no request by the wineries to open retail outlets away from their manufacturing premises.

Minister's Expenses - The witness noted that approximately $3,000 is routinely budgeted for the Minister's out-of-pocket expenses in relation to the NSLC. He was unaware of any travel expenses charged by the Minister.

Privatization - The witness noted that the only studies into privatization have been internal and have been going on for several years. They primarily involve off-license sales.

Renovations - The witness noted that, as the NSLC is a retailer, it must periodically refurbish its outlets. He stated that, although two recent renovation projects were carried out on the Clyde Street store, one was an interior project, while the other was exterior.

Thefts - The witness noted that, out of $330 million worth of goods processed annually, only $130-135,000 was stolen from stores. The witness was unaware of any such problem in the NSLC warehouse.

Material to be Provided by Witness

(See Appendix VIII)

PROVIDED

1. Current Salaries of the Chief Commissioners and two (2) Commissioners

2. Analysis of Selection Criteria for Canterbury-Corkum over Eastport

3. Breakdown of Employees

DEPARTMENT OF GOVERNMENT SERVICES

June 13, 1990

The current and former Deputy Ministers of Government Services were invited to appear before the Committee, primarily to discuss office space rentals and the tendering process for services. The current Deputy Minister was accompanied by the Director of Property and Operations. The former Deputy Minister was unaccompanied.

Questioning of the current Deputy Minister was limited, as much of the committee's attention was directed toward the testimony of the former Deputy Minister.

Allegations of Corruption

In his testimony, the former Deputy Minister alleged many instances of corruption, most of which directly involved the Premier. He alleged that friends of the Premier were frequently given lucrative government contracts and that, in some instances, high-paying jobs were created for them. The matter is currently under review by the R.C.M.P.

Releasing of Confidential Medical Information

On a Point of Order by the Member for Cape Breton South, the Member for Cole Harbour, who is also the Minister of Health and Fitness, has been accused of releasing confidential medical information about the witness, in an effort to discredit him. The Member stood trial and was acquitted of all charges in March of 1991. An Appeal of the Decision, launched by the Crown in April 1991, was denied by the Supreme Court of Nova Scotia in May 1991.

Material to be Provided by Witness

(See Appendix IX)

PROVIDED

1. Invitational Tenders for snow removal at the Law Courts Building and the Maritime Museum of the Atlantic...
   names of bidders
2. Space required for expanded programs

3. Lease-purchase assessment - Joseph Howe Building

4. Vacant Space

5. Monies paid to Mr. Mark Cleary*

   **This was requested by the Member for Halifax-Chebucto, who, upon receipt of same, stated publicly that the witness' comments in this regard were in direct contradiction to statements attributed to Mr. Cleary in newspaper reports.*

PROVINCIAL TAX COMMISSION and DEPARTMENT OF FINANCE

September 26, 1990
October 31, 1990

The Provincial Tax Commissioner and the Deputy Minister of Finance were invited to appear before the Committee to discuss a variety of items relating to the Provincial Tax Commission.

Dismissal of Tax Auditor

The Members for Cumberland West and Halifax Chebucto raised the issue of the dismissal of a tax auditor during the 1988 election campaign. Both attempted to ascertain whether political interference had been a contributing factor. The witnesses assured the Committee that the tax auditor had been dismissed due to his poor inter-personal and public relations skills and made reference to a recent arbitration hearing on the case, in which the department's decision was upheld.

The Committee was provided with a copy of the arbitration decision and sought advice from the Legislative Counsel on the propriety of discussing it at a future meeting. This meeting was held on October 31. The Deputy Minister noted that he had been advised that the decision is binding upon both parties and is subject only to the jurisdiction of the Appeals Division of the Nova Scotia Supreme Court.

Health Services Tax Revenues

To a query by the Member for Cumberland West, the Provincial Tax Commissioner indicated that Health Services Tax Revenues would be $15 to $20 million less this year than originally estimated.

Tax Write-Offs

The witnesses advised the Member for Cumberland West that for the period ending March 31, 1990, tax write-offs totaled $2.1 million, an increase of 10% over the previous year. However, the Provincial Tax Commissioner refused to answer queries relating to specific businesses.

To a query by the Member for Hants East, who was replacing the Member for Cape Breton South, the Provincial Tax Commissioner stated that a determining factor in write-offs, would be the bankruptcy or insolvency of the company concerned. He noted further that the Minister has no direct involvement in any decisions regarding write-offs.

Penalties

In reply to a query by the Member for Cumberland West, the Provincial Tax Commissioner noted that a 5% penalty plus interest charges, are levied against any vendor who fails to remit taxes that have been collected. If the vendor still fails to remit, the Commission would take legal action. If the vendor is found to be fraudulent in his tax records, the matter would then be referred to the RCMP Commercial Crime Section.

Other Related Matters

Foreign Money Markets - The Member for Hants East, who was replacing the Member for Cape Breton South, questioned the witnesses on the practicality of borrowing on the foreign money markets. The Deputy Minister noted that decisions on borrowing are made after a consensus is reached by staff, managers and the Minister.

Tax Information Bulletins - The Member for Lunenburg West, who was replacing the Member for Cape Breton North, inquired about the policies followed in providing small business with tax information. The Provincial Tax Commissioner noted that bulletins are issued as the need arises, and that within the resources available to the department, a good service is provided.

Taxes on Mail Order Items - The Provincial Tax Commissioner, in reply to the Member for Lunenburg West, stated that the Commission had received legislative approval to register cable television companies and to have them collect tax, where applicable. The Commission is currently establishing the necessary procedures. He noted further that existing inter-provincial agreements provide the Commission with information relating to mail order items from other provinces valued at more than $100.

Meal Taxes- The Provincial Tax Commission, in reply to the Member for Cumberland West, advised that meal taxes on items of $2.00 or more, have not been enforced in school cafeterias, or charitable organizations.

Material to be Provided to Committee by Witness
(See Appendix X)

PROVIDED

by the Provincial Tax Commissioner

1. Write-Offs to March 30, 1990 - Health Services Tax Act

BUSINESS CAPITAL CORPORATION and
SMALL BUSINESS DEVELOPMENT CORPORATION
October 31, 1990

The President and C.E.O., and the Chairman of the Board of the Business Capital Corporation appeared before the Public Accounts Committee. They were accompanied by the Executive Director and the Chairman of the Board of the Small Business Development Corporation.

Loan Write-Offs

In response to the Member for Cape Breton South, the witnesses (BCC) noted that the loan write-offs, as announced by the Minister of Industry, Trade and Technology, are actually broken down as follows:

$12,789,000 - actual loans, written off
$ 8,900,000 - provision for future losses

The Member expressed concern that, in September 1989, the President of the Business Capital Corporation had provided this committee with a figure of $10.5 million for loans in arrears. In little more than a year, that figure doubled to more than $21 million. The witness replied that the problem seems to be one of communication. He noted that when an account is in receivership, it is no longer considered to be in arrears. Receivership accounts were not included in the 1989 figure.

Lockeport - Ice King Proposal

To a query from the Member for Cape Breton South, the President and C.E.O. of the Business Capital Corporation, noted the following steps leading up to the Minister's statement, in October, regarding the denial of the Ice King proposal:

- May 1990... a first proposal was made to them by Ice King for financial assistance of $3 million.

- June 11... BCC had completed their assessment of Ice King's proposal and advised the Minister that there were some deficiencies in the plan.

- June 19... BCC advised Ice King of the weaknesses in their proposal, and Ice King undertook to correct them.

- During August and September, Ice King shareholders resubmitted new proposals, which were assessed. BCC management advised the BCC board of their recommendation against the proposal. The board concurred.

- October... BCC advised the Minister of their recommendation against the deal. The Minister made the subsequent announcement.

The Member for Cape Breton South expressed concern that this sequence of events, as noted by the witness, appears to be in direct conflict with statements made in the Legislature and over the summer months by Cabinet Ministers, who indicated that the deal was about to be finalized and an announcement was imminent.

Concern of the Auditor General

The Member for Cape Breton South noted that the Auditor General, in his 1989 report, had raised concerns about the practice of financial assistance for firms being approved by Cabinet in consultation with departmental staff, but without the knowledge of the Business Capital Corporation. The President and C.E.O. advised the Member that the BCC is currently working with the Department of Small Business Development to see that the BCC is kept fully informed of any such transactions. *[Hansard Transcript - October 31, 1990 - Page 393]*

MAS Medical Inc.

In response to the Member for Richmond, the President of the BCC noted the following:

-the loan of $1 million to MAS Medical Inc. was recommended by BCC after they conducted an extensive study, which included visiting their Pennsylvania office, viewing the product, speaking with the company's bankers and having the Department of Health, Dalhousie University and the Izaak Walton Killam Hospital assess the viability of the product from a medical viewpoint. The results were favourable.

-eventually, MAS Medical requested additional assistance. BCC suggested that, as a demonstration of their commitment to this project, the shareholders should invest some money and Nova Scotia would match it. The company refused.

-in July of 1990, BCC learned through the National Research Council that MAS Medical had received assistance from Saskatchewan and the Western Diversification Office. The company did not respond to BCC's requests for clarification.

-in September of 1990, when the company closed its operations, the BCC took legal action to recover funds.

-to date, BCC has seized all equipment and has written to the twenty-three hospitals, worldwide, who have received these products, notifying them that all monies due are to be paid to the Province of Nova Scotia. BCC has also written to approximately 240 other companies saying basically the same thing.

In response to the Member for Halifax-Chebucto, the President of the BCC, stated that the established criteria for approving such transactions, includes an in-depth assessment of the company's financial and managerial structure, shareholders, existing plants, share distribution, competition and market share as well as a three-year marketing plan (sales estimates, verification of same, potential customers, advertising, organization and distribution).

The witness was unable to confirm if his department had been aware that MAS Medical had not filed income tax returns in 1987 and 1988.

Other Related Matters

Dominion Textiles - To a query by the Member for Yarmouth (replacing the Member for Kings North), the President of BCC replied that Dominion Textiles had no outstanding debts to the Province of Nova Scotia, and in the past four years, did not approach the province for financial assistance.

Sternwheeler Pub - To a query by the Member for Richmond (replacing the Member for Cumberland West), the President of BCC stated that approximately $60,000 in interest was written off for the Sternwheeler Pub, but that no principal was written off.

Ventureprises - To a query by the Member for Cape Breton South, the President of the BCC confirmed that $290,000 was written off in venture capital money and that one of the major shareholders was a gentleman who handles the largest amount of advertising for the Government of Nova Scotia.

Canso/Sea Freeze Deal - In response to the Member for Cape Breton South, the witnesses stated that the Business Capital Corporation had no involvement in the Canso/Sea Freeze deal.

They noted further that, as of October 30, 1990, the $17.5 million loan related to the Canso fish plant had not been transferred from National Sea Products to Sea Freeze.

Associated Companies of Mr. Rick Black - In response to the Member for Richmond (replacing the Member for Cumberland West), the Executive Director of the Small Business Development Corporation stated that losses, associated with loans to the above companies, could reach as high as $1 million.

Material to be Forwarded to Committee by Witness
(See Appendix XI)

PROVIDED

1. Details - Industrial Estates Limited Write-offs to March 31, 1990
2. Criteria Used in Assessment of Proposals for Financing
3. Loans Authorized by Cabinet Without Referral to the Business Capital Corporation
4. Loans Authorized by Business Capital Corporation - Without Appropriate Information

APPENDICES

APPENDIX I -
Preliminary Meeting

Preliminary Meeting

Wednesday, March 28, 1990
9:30 a.m. - 9:45 a.m.

Location: Legislative Chamber,
Province House

Attendance: Roderick MacArthur, Q.C., Clerk of the House

Hon. Ronald Giffin, Q.C.
Hon. G. David Nantes
Hon. George Archibald
Hon. Brian Young
Vincent J. MacLean, M.L.A.
William Gillis, M.L.A.
Ross Bragg, M.L.A.
Alexa McDonough, M.L.A.

Substitution:

Hon. Ronald Russell -FOR- Hon. Donald McInnes

A/Committee Secretary:

Dianne M. Stillman

COMMITTEE BUSINESS

Mr. Roderick MacArthur, Q.C. brought the meeting to order and called for nominations for Committee Chairman. The meeting adjourned after the Committe was unable to reach agreement on this subject.

Meeting adjourned: 9:45 a.m.

Continuation of Preliminary Meeting

Wednesday, April 4, 1990
9:30 a.m. - 10:17 a.m.

Location: Legislative Chamber,
Province House

Attendance: Roderick MacArthur, Q.C., Clerk of the House

Hon. Ronald Giffin, Q.C.
Hon. G. David Nantes
Hon. George Archibald
Hon. Brian Young
Vincent J. MacLean, M.L.A.
William Gillis, M.L.A.
Ross Bragg, M.L.A.
Alexa McDonough, M.L.A.

Substitution:

Hon. Ronald Russell -FOR- Hon. Donald McInnes

A/Committee Secretary:

Dianne M. Stillman

COMMITTEE BUSINESS

Mr. Roderick MacArthur, Q.C. brought the meeting to order and called for nominations for Committee Chairman. Dr. William Gillis, M.L.A. was nominated, and unanimously elected to his fourth term as Chairman of Committee. Mr. MacArthur vacated the Chair.

Upon assuming the Chair, Dr. Gillis:

1. **moved that the Hon. George Archibald, be appointed Vice-Chairman of the Committee. Motion Carried.**

2. **recommended the reappointment of the Committee Secretary, Ms. Dianne Stillman. All agreed.**

3. **requested the Committee's approval to allow time at the end of this meeting to discuss a matter brought forward by Mrs. Eileen Stubbs. All agreed.**

4. **made note of lists of suggested witnesses, prepared by each party (attached), which were circulated to all members.**

The Committee set its tentative agenda for the Second Session of the Fifty-Fifth General Assembly.

Meeting adjourned: 10:17 a.m.

Nova Scotia

Leader of the Opposition

Suite 1009, Centennial Building
1660 Hollis Street
PO Box 723
Halifax, Nova Scotia
B3J 2T3

902 424-3281

March 26, 1990

Ms. Dianne Stillman
Past Secretary
Public Accounts Committee
3rd Floor
Dennis Building
1740 Granville Street
Halifax, Nova Scotia
B3J 1X5

Dear Ms. Stillman:

On behalf of the Official Opposition, I would like to submit the following as an initial list of witnesses and/or topics for discussion at meetings of the Public Accounts Committee:

1. Mr. O. P. Cormier, Auditor General;
2. Senior officials, National Sea Products;
3. The Chief Commissioner and General Manager/Chief Executive Officer of the Nova Scotia Liquor Commission;
4. Persons/issues relating to the Business Capital Corporation;
5. Persons/issues relating to the Small Business Development Corporation;
6. Mr. Hiltz, Deputy Minister, Government Services, and Mr. Zareski, former Deputy Minister, Government Services;

.../2

HOUSE OF ASSEMBLY
ASSEMBLEE LEGISLATIVE

OFFICE OF THE LEADER
NEW DEMOCRATIC PARTY
PO BOX 1617
HALIFAX, NOVA SCOTIA
B3J 2Y3

BUREAU DU CHEF
NOUVEAU PARTI DEMOCRATIQUE
C.P. 1617
HALIFAX, NOUVELLE-ECOSSE
B3J 2Y3

April 4, 1990

WITNESSES FOR PUBLIC ACCOUNTS COMMITTEE

✓ Principals of Path Scientific Research, Ltd.

- a spectacular example of preferential treatment and privatization of a hospital function, failure to monitor or enforce government policy, contradictions as to what that policy is, lack of accountability

Roseway Hospital

- another example of private activity on hospital property, also with questions about monitoring and enforcement of government policy

✓ Chief Commissioner and General Manager Nova Scotia Liquor Commission

- serious questions have been raised by the Auditor General about the lease purchase of the Commission's headquarters-warehouse at Bayers Lake, and about other lease purchase arrangements made by the Commission

Deputy Attorney General, Deputy Minister of Finance and other officials responsible for Portland Estates ✓ [illegible]

- we have heard at length from Portland Estates and had a special report by the Auditor General, but have yet to hear from the departments responsible for this costly fiasco

✓ Deputy Minister of Industry, Trade and Technology, Nova Scotia Business Capital Corporation and Deputy Minister of Small Business Development

- the Auditor General's report combined with statements and spending estimates over the last four years raise serious questions about the monitoring of government loans and repayable grants to business

Deputy Minister of Small Business Development and Deputy Minister of Transportation and Communications
- about the Auditor General's report on hiring practices

Reg Prest of the Halifax-Dartmouth Bridge Commission ✓
- about the Auditor General's report on the costs of their refinancings

Deputy Minister of Health
- to deal with remaining questions after we hear from Path Scientific and Roseway Hospital

Deputy Minister of Advanced Education and Job Training and Principal of I.W. Akerley Campus, N.S. Community College
- as to why this one campus's financial statements are in such disorder the Auditor General must reserve opinion on them

Alexa McDonough

APPENDIX II -
Auditor General

Wednesday, April 18, 1990
9:30 a.m. - 11:30 a.m.

Location: Legislative Chamber,
Province House

Attendance:
Dr. William Gillis, M.L.A., Chairman
Hon. George Archibald, Vice-Chairman
Hon. Ronald Giffin, Q.C.
Hon. G. David Nantes
Hon. Brian Young
Vincent J. MacLean, M.L.A.
Ross Bragg, M.L.A.
Alexa McDonough, M.L.A.

Substitution:

Leroy Legere, M.L.A. -FOR- Hon. Donald McInnes

Committee Secretary:

Dianne M. Stillman

Witnesses:
Mr. O. Paul Cormier
Auditor General of Nova Scotia

Mr. Roy Gunn
Deputy Auditor General

Mr. James Butler
Assistant Auditor General

COMMITTEE BUSINESS

The Chairman called the meeting to order and invited the witness to make an opening statement.

Mr. Cormier spoke briefly on the following subjects:

-transfer payment audits
-Portland Estates Limited

Wednesday, April 25, 1990
9:30 a.m. to 11:30 a.m.

Location: Legislative Chamber
Province House

Attendance:

Dr. William Gillis, M.L.A., Chairman
Hon. George Archibald, Vice-Chairman
Hon. Ronald Giffin, Q.C.
Hon. G. David Nantes
Hon. Brian Young
Ross Bragg, M.L.A.
Alexa McDonough, M.L.A.

Substitutions:

Leroy Legere, M.L.A. -FOR- Hon. Donald McInnes
Bernard Boudreau, M.L.A.
-FOR- Vincent J. MacLean, M.L.A.

Committee Secretary:

Dianne M. Stillman

Witnesses:

Mr. O. Paul Cormier
Auditor General of Nova Scotia

Mr. Roy Gunn
Deputy Auditor General

Mr. James Butler
Assistant Auditor General

COMMITTEE BUSINESS

The Chairman called the meeting to order and invited the witnesses to make opening remarks. The witnesses declined the offer and deferred to the questions of Committee Members.

Nova Scotia

Auditor General

PO Box 793
Halifax, Nova Scotia
B3J 2V2

April 19, 1990

Dr. J. William Gillis
Chairman
Public Accounts Committee
Province of Nova Scotia
Halifax, N.S.

Dear Dr. Gillis:

At the April 18, 1990 meeting of the Public Accounts Committee, there were requests for certain additional information to be provided to the Committee by our office. I take pleasure in so doing, and enclose 12 copies of the following.

Schedule 1 - summary of Provincial Tax Commission accounts written off during the year ended March 31, 1989, according to Statement 19 of the Public Accounts;

Schedule 2 - details of Provincial Tax Commission accounts over $25,000 written off during the year ended March 31, 1989; and

Schedule 3 - details of additional appropriations in excess of $200,000 for the year ended March 31, 1989.

Yours very truly,

O.P. Cormier
Auditor General

JRB/pt
Encl.

PROVINCIAL TAX COMMISSION
SUMMARY OF ACCOUNTS WRITTEN OFF
AS AT MARCH 31, 1989

	#	$
Under $5,000	392	$ 295,898
$5,000 - $10,000	40	280,219
$10,000 - $25,000	34	473,630
Over $25,000	16	861,706
	482	$1,911,453

SCHEDULE 2

PROVINCIAL TAX COMMISSION
ACCOUNTS GREATER THAN $25,000 WRITTEN OFF
AS AT MARCH 31, 1989

Write-Offs

Name	Amount	Reason
Grand Finales Restaurant	$ 25,187	Vendor skipped - no assets
Modern Ironworks Ltd.	153,016	Bankruptcy
The Henry House (Mansour-Larsen Restaurant Ltd.)	27,503	Bankruptcy
40 Winks (Gayladen Enterprises Ltd.)	49,871	Bankruptcy
Park Construction Limited	32,209	Receivership
Buds Pub (Park Foods Ltd.)	29,821	Bankruptcy
Sea Lect Canada (Limited)	28,323	Out of business - Receivership
Pizza Delight (Daryl Lingley Holdings Ltd.)	40,890	Bankruptcy
Astonia Grill Ltd.	63,211	Execution - all assets liquidated
Halifax Industries Limited	29,822	Bankruptcy
Atlantic Steelworks Limited	44,088	Placed into receivership
Breton Industrial & Marine Limited	83,214	Receivership
Auburn Motor Sales	48,436	Registration cancelled - No known assets - summary judgement in place.
Heritage Hotels Ltd. "Blomidon Inn"	88,128	Summary judgement & execution - vendor placed in receivership.
Heritage Hotels Ltd. "Captains House"	42,058	Summary judgement & execution - vendor placed in receivership.
Mark Hickman Invests. Ltd. (Capital Kirby (N.S.) Ltd.)	75,929	Limited Co. - closed - no assets.
	$ 861,706	

ADDITIONAL APPROPRIATIONS
FISCAL YEAR ENDED MARCH 31, 1989
(IN EXCESS OF $200,000)

SCHEDULE 3

Department	Vote	Amount	Reason
Advanced Education	Assistance to Universities	$ 2,427,000	Grants approved but not included in the Estimates
		661,300	Increase in grants for interest and sinking fund payments
		52,000	Other payments to universities
		3,140,300	
Agriculture	Agricultural Services	7,168,153	Additional funds required to fund the Pork Price Stabilization Program due to low pork prices.
Attorney General	Law Administration	497,300	Increased cost of Provincial Court Judge's salaries as the result of the recommendations of the Tribunal on the Salaries of Provincial Court Judges
Community Services	Administration	215,100	Increased cost of Family Court Judge's salaries not included in the Estimates
		694,000	Grants for Home Care Services and other expenditures
	Public Assistance	1,474,000	Social Assistance Recipients Program not included in the Estimates
		4,722,000	Case load and increase in food rates greater than estimated for the Family Benefits Program
		379,000	Caseload and increase in prescription costs greater than estimated for the Pharmacare Program
		(61,900)	Underexpenditures in other areas of the budget
		6,513,100	

ADDITIONAL APPROPRIATIONS
FISCAL YEAR ENDED MARCH 31, 1989
(IN EXCESS OF $200,000)

SCHEDULE 3

Department	Vote	Amount	Reason
Education	Grants and Assistance	1,076,400	Special formula grants to School Boards
		329,900	Increase in the cost of premiums for teacher's life and medical insurance
		116,900	Increased grant to A.P.S.E.A.
		119,200	School Book Credit Allocation overspent due to larger over-the-counter sales, therefore inventory was replaced
		776,900	Write down of inventory as requested by the Department of Finance
		(80,100)	Underexpenditures in other areas of the budget
		2,339,200	
Environment	Environment	1,059,562	Environmental Response Projects completed in 1988-89 but not budgeted for in the Estimates
		(415,362)	Underexpenditures in other areas of the budget
		644,200	
Finance	Government Contributions to Benefit Plans	2,373,544	Government contributions to benefit plans were greater than budget (Total of Additional Appropriations for 2,050,000 and 323,544)
	Homeowners' Incentive Act - Grants	280,000	549 grants were paid instead of the 388 grants budgeted, due to the large number of co-operative housing units and condominium apartments eligible for the grant
	Unclassified and Unforeseen	250,000	A grant was given to the 150th anniversity capital fund campaign of Mount Allison University

ADDITIONAL APPROPRIATIONS
FISCAL YEAR ENDED MARCH 31, 1989
(IN EXCESS OF $200,000)

SCHEDULE 3

Department	Vote	Amount	Reason
Fisheries	Fisheries	$ 222,000	Increased subsidy for loans made from the Fisheries Development Fund
Government Services	Public Works and Special Projects	12,804,300	Capitalization of the net present value of future lease payments to acquire the Joseph Howe Building
Health and Fitness	Health Programs	5,400,000	Overexpenditures at the Victoria General Hospital
		2,505,500	Increase in fees negotiated by the ambulance operators as a result of the release of the Doane Raymond Report
		1,600,000	Grant to the Canadian Cancer Society
		150,000	Grant to the North End Clinic
		250,000	Grant to the Victorian Order of Nurses
		1,765,400	Additional payments to other hospitals
		1,220,900	Costs for hospital services for out of province claims were higher than budget
		(1,085,000)	Savings in other areas of the budget
		11,806,800	
	Health Services and Insurance Commission	4,175,000	Utilization of services for medical services increased greater than projected
		5,100,000	Utilization of services for Pharmacare increased greater than projected
		9,275,000	

ADDITIONAL APPROPRIATIONS
FISCAL YEAR ENDED MARCH 31, 1980
(IN EXCESS OF $200,000)

SCHEDULE 3

Department	Vote	Amount	Reason
Housing	Subsidies	164,600	Additional funds required for the Senior Citizens Assistance Program
		1,147,900	Additional funds required for the Emergency Repair Program
		(346,400)	Savings in other areas of the budget
		966,100	
Industry, Trade and Technology	General Administration	600,000	Increased costs for Special Assistance Program
Lands and Forests	Other	1,536,300	Increased land purchases
		412,000	Additional funds required for purchase of Hughes 500 D helicopter
		(53,400)	Savings in other areas of the budget
		1,894,900	
Mines and Energy	Energy Assistance	653,000	Additional projects were undertaken under the Oil Substitution Program which were not in the Estimates.
Municipal Affairs	Finance and Advisory Services	1,608,800	To provide an emergency $2.5 million non-interest bearing loan to the Town of Glace Bay
		(508,800)	Savings in other areas of the budget
		1,100,000	

ADDITIONAL APPROPRIATIONS
FISCAL YEAR ENDED MARCH 31, 1989
(IN EXCESS OF $200,000)

SCHEDULE 3

Department	Vote	Amount	Reason
Public Service	Capital Grants	962,500	To cover greater than anticipated redemptions of Series "C" Debentures of Sydney Steel Corporation
	Commission of Inquiry Concerning Donald Marshall, Jr.	500,643	Increased costs of the Commission of Inquiry
	Election Expenses	5,000,000	Provincial election held on September 6, 1988 (Total of Additional Appropriations for 1,000,000 and 4,000,000
	Nova Scotia Research Foundation Corporation	10,000,000	Funding for the Nova Scotia First Program was not included in the Estimates
	Nova Scotia Sport and Recreation Commission	800,000	To fund government commitments for Recreational Facility Development
	Royal Commission on Health Care	390,800	Increased costs of the Royal Commission
	Workers' Compensation Board	709,353	Increased level of appeals brought before the Workers' Compensation Appeal Board

ADDITIONAL APPROPRIATIONS
FISCAL YEAR ENDED MARCH 31, 1989
(IN EXCESS OF $500,000)

SCHEDULE 3

Department	Vote	Amount	Reason
Small Business Development	Nova Scotia Business Capital Corporation	$ 9,704,750	Increased provision for losses on capital advances
		(12,438,700)	Decreased capital advance interest charges for the Nova Scotia Business Capital Corporation
		8,235,495	Increased capital advance interest charges for the Industrial Expansion Fund
		(280,235)	Savings in other areas of the budget
		5,221,310	
	Other Agencies	940,238	Increased capital advance interest charges for the Small Business Development Fund
		(356,856)	Savings in other areas of the budget
		583,382	
	Small Business Programs	690,100	An additional 286 jobs were created under the Provincial Employment Program
		147,500	Increased grants under the Special Assistance Program
		(432,600)	Savings in other areas of the budget
		405,000	

ADDITIONAL APPROPRIATIONS
FISCAL YEAR ENDED MARCH 31, 1989
(IN EXCESS OF $300,000)

SCHEDULE 3

Department	Vote	Amount	Reason
Solicitor General	Policing Services	$ 2,000,000	Increased cost of the R.C.M.P. Policing Agreement
Tourism and Culture	Departmental Operations	1,744,000	Costs associated with the Enhanced Tourism Marketing Program
		50,000	Grant to Buskers' 88 Festival
		1,200,000	Grant to the City of Halifax to acquire the City Club and Khyber building
		330,000	Operating subsidy grant to the Dalhousie Arts Centre
		50,000	Increased costs of the Special Assistance Program
		3,374,000	
Transportation	Administration and Maintenance -	4,744,988	Increased costs for snow removal, sanding and salting

UPPER CLEMENTS FAMILY THEME PARK LIMITED

UPPER CLEMENTS, NOVA SCOTIA

FINANCIAL STATEMENTS

MARCH 31, 1989

Doane Raymond

AUDITORS' REPORT

To the Shareholder of Upper Clements Family Theme Park Limited

We have examined the balance sheet of Upper Clements Family Theme Park Limited as at March 31, 1989, and the statement of changes in financial position for the year then ended, and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the company, these financial statements are properly drawn up so as to exhibit a true and correct view of the financial position of the company as at March 31, 1989, and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Doane Raymond
Chartered Accountants

Digby, Nova Scotia
September 22, 1989

UPPER CLEMENTS FAMILY THEME PARK LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1989

4. Capital stock

Authorized	
5,000 common shares with par value of $1 each	
Issued and outstanding	
1 common share	$ 1

Wednesday, November 21, 1990
9:30 a.m. to 11:30 a.m.

Location: Red Chamber
Province House

Attendance:

Dr. William Gillis, M.L.A., Chairman
Hon. George Archibald
Hon. Ronald Giffin, Q.C.
Ross Bragg, M.L.A.
Alexa McDonough, M.L.A.

Substitutions:

Marie Dechman, M.L.A. -FOR- Hon. Brian Young
Al Mosher, M.L.A. -FOR- Hon. Donald MacInnes
Leroy Legere, M.L.A. -FOR- David Nantes, M.L.A.
Richard Mann, M.L.A. -FOR- Vincent MacLean, M.L.A.

Committee Clerk:

Dianne M. Stillman

Witnesses: Representing the Office of the Auditor General:

Mr. O. Paul Cormier
Auditor General

Mr. Roy Gunn
Deputy Auditor General

Mr. James Butler
Assistant Auditor General

COMMITTEE BUSINESS

The Chairman opened the meeting by introducing the witnesses and inviting the Members to begin questioning. Discussion focused entirely on improvements to the operation of the Public Accounts Committee.

House of Assembly
Nova Scotia

MOTION:
Made by Ms. Alexa McDonough, M.L.A.
Member
Standing Committee on Public Accounts

That...

The Public Accounts Committee strike a Steering Committee, with representation from each of the recognized political parties to draft, after consultation with the respective caucuses, proposals for future functioning of the Committee including,

1. a clear statement of mission or mandate;
2. set of effective procedures to address:
    a) meeting format
    b) agenda setting
    c) role of the Auditor General
    d) appointment and accountability of the Auditor General
    e) reporting
    f) follow-ups
3. Allocation of resources to ensure the capacity to carry out its mandate and responsibilities.

Meeting of the
Standing Committee on Public Accounts
Wednesday, November 21, 1990
Witness: The Auditor General of Nova Scotia

APPENDIX III -
Nova Scotia Power Corporation

Wednesday, May 2, 1990
9:30 a.m. to 11:30 a.m.

Location: Legislative Chamber
Province House

Attendance:

Dr. William Gillis, M.L.A., Chairman
Hon. George Archibald, Vice-Chairman
Hon. Ronald Giffin, Q.C.
Hon. G. David Nantes
Hon. Donald McInnes
Hon. Brian Young
Vincent J. MacLean, M.L.A.
Ross Bragg, M.L.A.
Alexa McDonough, M.L.A.

Committee Secretary:

Dianne M. Stillman

Witnesses:

Representing the Nova Scotia Power Corporation:

Mr. Louis Comeau, President & C.E.O.
Mr. G. D. Lethbridge, Vice-President, Engineering & Production
Mr. G. K. Oikle, Vice-President, Finance
Mr. T. F. MacDonald, Vice-President, Planning & Development
Mr. L. J. Sweett, Vice-President, Customer Services

COMMITTEE BUSINESS

The Chairman called the meeting to order and invited the witnesses to make opening remarks. Mr. Comeau circulated a copy of his remarks and spoke briefly on the current financial status of the Corporation as well as its most recent production records and efforts to effect positive change on the environment.

---

nova scotia power

P.O. Box 910
Halifax, Nova Scotia
B3J 2W5

1990 08 03

Ms. D. Stillman
Committee Secretary
Standing Committee on Public Accounts
3rd Floor, Dennis Building
1740 Granville Street
Halifax, Nova Scotia

Dear Ms. Stillman:

Re: **PUBLIC ACCOUNTS COMMITTEE - MAY 2, 1990**

The following information is provided in response to the questions raised by members of the Public Accounts Committee at the meeting on Wednesday, May 2, 1990.

Appendix A is a copy of the questions and results of the most recent customer survey conducted for Nova Scotia Power. The survey results also provide a comparison of the results from the previous two years. The survey was conducted at an approximate cost of $23,000.

With regard to the Nova Scotia content negotiated in the Point Aconi contract, Mitsui is fully committed to the participation in the project by Nova Scotia companies. This local participation will be in all major elements of the project, including consulting services, equipment and bulk material supply, and construction. Mitsui was given a list of typical goods and services available in Nova Scotia as guidance only. A copy of this list is attached as Appendix B. In addition, we provided Mitsui with a copy of the Nova Scotia Director of Manufacturers 1990-1991 which was published by the Department of Industry, Trade and Technology. Approximately 54% of the total estimated cost of our Point Aconi project is targeted for Nova Scotia content. This project is expected to create 87 permanent jobs at this new generating station site.

Head Office
Scotia Square
Halifax, Nova Scotia
Telephone (902) 428-6221

Central Zone
P.O. Box 1070
Stellarton, Nova Scotia
B0K 1S0

Eastern Zone
P.O. Box 610
Sydney, Nova Scotia
B1P 6H8

Halifax Zone
P.O. Box 910
Halifax, Nova Scotia
B3J 2W5

Western Zone
P.O. Box 1268
Liverpool, Nova Scotia
B0T 1K0

With respect to the fees paid to the Board of Directors, each Director is paid a retainer of $2,500 per year and an additional $100 per diem for meetings of the Board committees. The Chairman, in addition to the above, receives $7,500 per annum.

Regarding an inquiry with respect to Mills Heavy Hauling Ltd., this company was paid $51,370 last year, of which $28,243 was tendered. A tender request was withdrawn due to a change in our requirements. Furthermore, because many jobs were small in nature, Local Purchase Orders were utilized. However, based upon estimated future work load requirements, we have issued a request for tenders for similar equipment covering a larger scope of work for a period of one year commencing June, 1990.

The following outline provides the information requested regarding the Nova Scotia Power Savings Bonds:

	SB01 (1986)	SB02 (1987)	SB03 (1988)	SB04 (1989)
ISSUED	$163,679,100	$142,061,400	$61,908,600	$47,815,800
REDEEMED	$103,726,000	$119,086,400	$49,580,900	$ 105,000
BALANCE	$ 54,430,500	$ 22,975,000	$12,327,700	$47,710,800

I trust this information provides the answers to the questions raised.

Yours sincerely,

C. E. McGrail
Manager, Corporate Communications

METHODOLOGY

CRA

METHODOLOGY

The 1989 Customer Service Study was carried out by means of a self-administered questionnaire mailed to the homes of 3,909 residential electric power subscribers in Nova Scotia. Each questionnaire was colour coded by zone with a three-step procedure implemented to ensure a high response rate.

o	**Step One:**	Each of those selected to be surveyed received an advance letter from Nova Scotia Power informing him or her about the study, its objectives, and asking for their cooperation (Exhibit A: Company Letter).
o	**Step Two:**	Approximately a week later, each participant received the survey kit which included an introductory letter from Corporate Research Associates, the self administered questionnaire, and the postage-paid, self-addressed envelope (Exhibit B: Survey Kit).
o	**Step Three:**	Finally, a reminder/thank you card was sent to the selected sample after the survey letter had been sent (Exhibit C: Thank You/Reminder Card).

The schedule for each phase of the data collection process was as follows:

o	September 21/89:	Advance letter from Nova Scotia Power sent to all those selected to be surveyed.
o	October 3/89:	Survey kits sent to all those selected to be surveyed.
o	October 5/89:	Reminder/Thank You card sent to the selected sample.
o	October 12/89:	Respondent deadline.
o	October 25/89:	Cut-off date for returned questionnaires to be included in the data tabulation.

Sampling Technique

The sample for this study was drawn randomly from Nova Scotia Power's file of residential customers. The sample list was provided by Nova Scotia Power through their Electronic Data Processing Department. The sample was drawn disproportionately to give statistical reliability to each of Nova Scotia Power's four geographic service zones. A total of 4,000 residential customers were initially selected to be surveyed to ensure a minimum sample of 1,600 respondents (this is based upon a minimum expected response rate of 40%). Minor printing difficulties subsequently reduced the sample frame to 3,909.

The overall response rate for this study was 45.4% based on a total of 1,776 surveys received prior to the data collection deadline and included in the data tabulation. It should be noted that a total of 44 questionnaires were received after the cut-off date or were returned incomplete and not included in the data tabulation. If these surveys were to be included, the actual response rate would have been 46.6%.

The following table provides a breakdown of the response rate by zone:

Zone	Population	Surveys Sent	Surveys Returned	Response Rate %
Western	102,262	978	491	50.2
Eastern	67,944	977	432	44.2
Central	78,456	977	473	48.4
Halifax	137,610	977	380	38.9
Overall	**386,272**	**3,909**	**1,284**	**45.4**

Sample Size and Statistical Reliability

The overall sample of 1,776 respondents provide for a 99% level of confidence with a ±2.9% margin of error. In other words, if the survey were repeated 100 times with the same sample size, the results would not vary by ± 2.9%, 99 times out of 100.

The statistical reliability of the data for each of the zones is outlined as follows:

Zone	Population	Sample Size	Confidence Level %	Margin of Error %
Western	102,262	491	95%	± 4.4
Eastern	67,944	432	95%	± 4.7
Central	78,456	473	95%	± 4.5
Halifax	137,610	380	95%	± 5.0
Overall	**386,272**	**1,776**	**99%**	**± 2.9%**

Sampling Tolerances

The sampling tolerances that apply to the percentage results in this report are given in the table which follows. This table illustrates the possible variation that might be anticipated due to surveying a sample, rather than the entire population under study.

The sampling tolerances vary with both the size of the sample and the size of the percentage results. For example, if 60% of the entire sample of 1,776 respondents indicate having a favourable overall opinion of Nova Scotia Power, then the chances would be 99 out of 100 that this result would not vary by more than ± 3% (i.e., from 57% to 63%) if the entire population of residential power users were surveyed. However, if 58% of Halifax Zone respondents indicate having a favourable overall opinion of the Company, the chances would be now 95 out of 100 that the results could vary by ± 5% (i.e., from 54% to 66%) based on the smaller sample of 380 in that zone.

Approximate Sampling Tolerances
For Percentages Near.......

Size of Sample Surveyed	10 or 90%	20 or 80%	30 or 70%	40 or 60%	50%
2,000 Interviews	2	2	3	3	3
1,000 Interviews	2	3	4	4	4
500 Interviews	3	4	5	5	5
250 Interviews	5	6	7	8	8
100 Interviews	7	10	11	12	12

Questionnaire Design

The questionnaire was designed in close consultation with Nova Scotia Power. The questionnaire employed both structured (forced choice) and unstructured (open-ended) questions. The questionnaire was pretested using groups of Nova Scotia Power employees.

Data Tabulation

The questionnaire was coded for computer tabulation and run on the Statpac Gold computer package. The report is presented as follows:

- Overall results and results compared with results from 1988 and 1987; and,
- By zone.

In some cases, the totals may not equal 100% due to computer rounding or wherever multiple responses are permitted.

To ensure the highest possible standards of data quality control, all questionnaires were 100% verified during the coding and editing process. In addition, all data entry was also 100% verified.

Because of the disproportionate sampling technique used for each of the four zones, a weighting procedure was applied to ensure that the data reflected the actual distribution of electric power users in Nova Scotia. The relative distribution was based upon Nova Scotia Power's account records as of September, 1989. This information was provided to Corporate Research Associates by Nova Scotia Power's Billing and Metering Department.

The weighting factors are given in the following table:

Zone	Population	%	Sample	%	Weighting Factor
Western	102,262	26.5	491	27.6	0.96
Eastern	67,944	17.6	432	24.3	0.72
Central	78,456	20.3	473	26.6	0.76
Halifax	137,610	35.6	380	21.3	1.67
Overall	**386,272**	**100.0**	**1,776**		

ANALYSIS

CRA

ANALYSIS

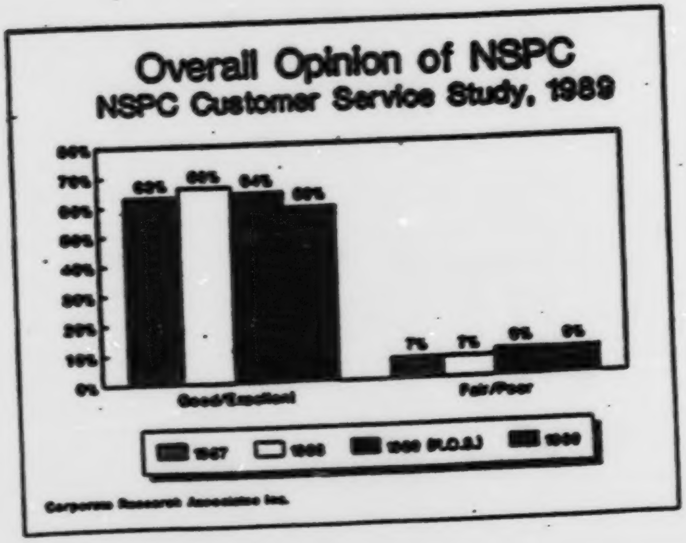
Part A: Comparison of Overall Results by Year

This part of the analysis examines the results of the Customer Service Study on an overall basis, and identifies the significant differences between the 1988 and 1987 Customer Service Studies.

As well, this analysis examines some of the expectations that customers have with respect to the provision of specific elements of Nova Scotia Power's service, and provides Nova Scotia Power with the information to set or to evaluate Company standards.

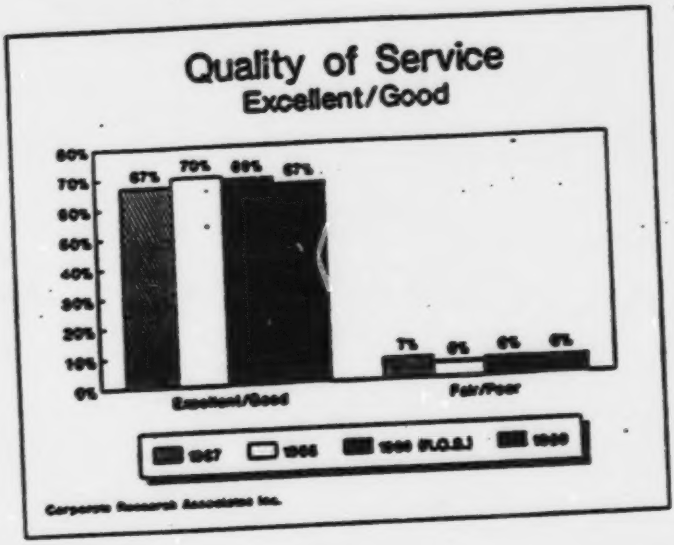
Overall Opinion of Nova Scotia Power

The results of the study indicate that the overall opinion of Nova Scotia Power has deteriorated since 1988, and now stands at a level marginally less favourable than that held by customers in 1987. In addition, this downward trend since 1988 is statistically significant and can be tracked downward via the results of the 1988 Customer Service Study, the 1989 Reliability of Service Study (administered in September, 1989), and the 1989 Customer Service Study (Table 1).



Overall Opinion of Service

Two in three customers have an excellent or good overall opinion of the quality of service provided by Nova Scotia Power, which represents a marginal decline since 1988. The overall opinion of quality of service now is identical to that of 1987. It should be noted that the decline in the overall opinion in quality of service is not as great as the decline in the overall opinion of Nova Scotia Power, which suggests that other factors may have also contributed to the deterioration in overall opinion (Table 2).

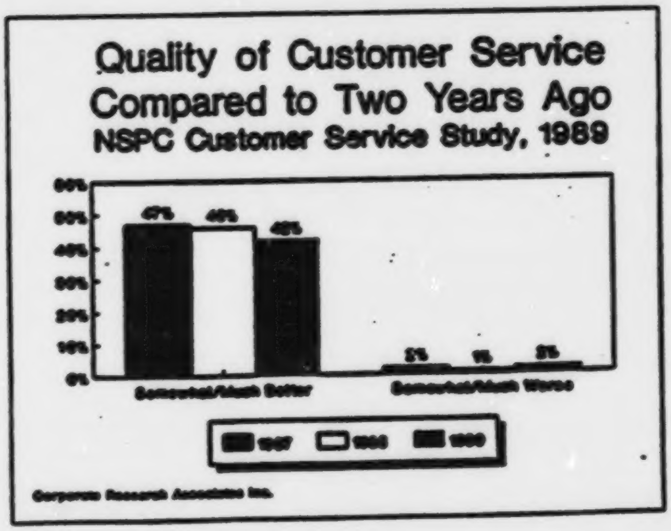


Corporate Research Associates Inc.

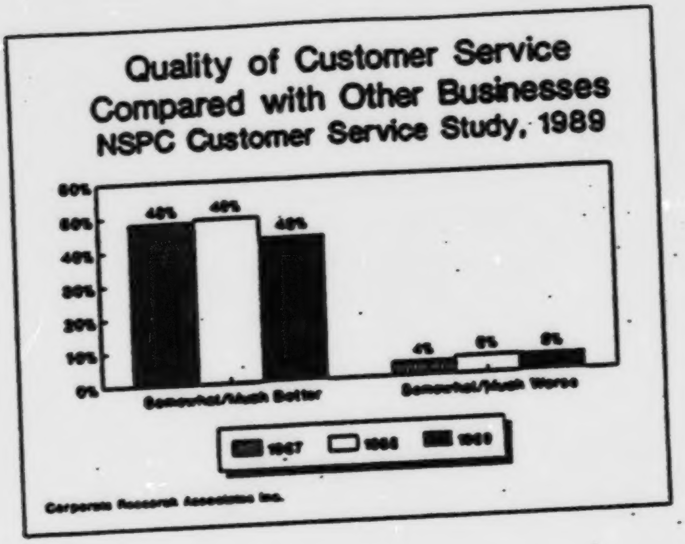
The results indicate that overall opinion of Nova Scotia Power in general, is closely related to the customers' opinion about the quality of service provided. Only 4% of those with a fair or poor evaluation of quality of service would say they have an excellent or good overall opinion of the Company.

	Overall Opinion of Quality of Service		
	Excellent/ Good %	Satisfactory %	Fair/ Poor %
Overall Opinion of Nova Scotia Power			
o Excellent	83	14	4
o Satisfactory	14	75	20
o Fair/Poor	3	10	76

Slightly more than four in ten (42%) believe the quality of service provided by Nova Scotia Power is either somewhat or much better than that provided a couple of years ago. This represents a decline in those who feel the quality of service is better than that of two years ago from 46% in 1988 to 42% in 1989. On the other hand, there has been a slight increase (from 1% in 1988 to 5% in 1989) in those who would say the quality of service is now somewhat or much worse, although this group still represents a very small minority (Table 3).



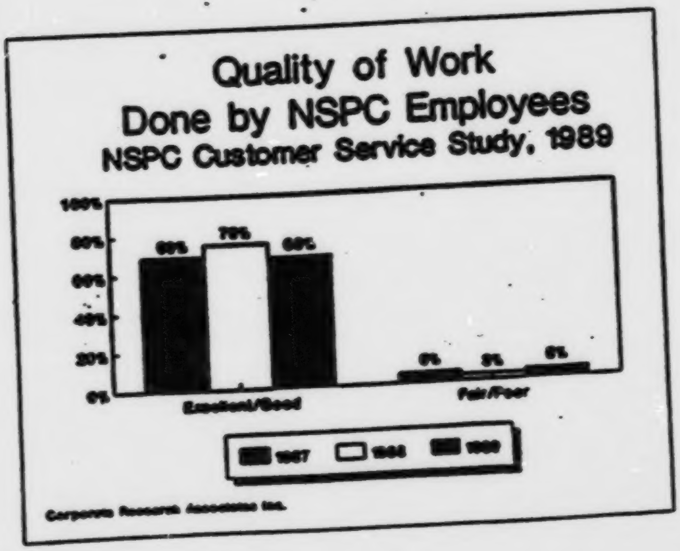
Again, there has been a decline since 1988 in customers' perception of Nova Scotia Power's quality of service compared to that of other businesses with which they deal. Now only slightly more than four in ten (43%) think that Nova Scotia Power's quality of service is better (Table 4).



Quality of Customer Service Compared with Other Businesses
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

In terms of the quality of work performed by Nova Scotia Power employees, the results are now similar to the results of 1987, and represent a significant decline from 1988 when 75% of customers thought the quality of work was excellent or good (Table 5).



Quality of Work Done by NSPC Employees
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

General Impressions of Nova Scotia Power

Overall, customers continue to believe that Nova Scotia Power provides reliable service. Nearly nine in ten (86%) think that Nova Scotia Power provides reliable service. While most measures in this regard experienced at least a marginal decline in the level of favourability, Nova Scotia Power employees continue to be highly regarded; in fact eight in ten believe that NSPC has courteous employees (79%), or that the Company has competent employees (77%).

Several specific areas have experienced substantial decreases in the level of public opinion. Now, six in ten (59%), as opposed to seven in ten (69%) in 1988, believe that Nova Scotia Power has a good public image. On the other hand, one in five (19%) would disagree that Nova Scotia Power has a good public image.

Customers are also less likely now to think that Nova Scotia Power either operates in a cost-efficient manner, or charges a fair price for electrical service. In 1989, 38% of customers feel that the Company operates in a cost-efficient manner, as compared to 47% that felt the same way in 1988. As well, the proportion of customers that feel Nova Scotia Power charges a fair price for electrical service has fallen from 44% in 1988, to 38% in 1989. Conversely, the percentage of customers who would disagree the Company operates in a cost-efficient manner has risen from 20% in 1988 to 27% in 1989. Similarly, those who disagree that the Company charges a fair price for electrical service have increased from 33% in 1988, to 40% in 1989 (Tables 6A-6J).

These results indicate that there has been a general deterioration since 1988 in customers' perceptions of Nova Scotia Power. However, some areas have experienced a greater decline in favourability. Specifically, overall image, and opinions regarding price and cost efficiency were rated most negatively. Other areas, related to service reliability and Nova Scotia Power's employees, did not experience as much of a drastic decline as the previous issues mentioned.

Some of the decline may be traced directly to two rate increase applications filed by Nova Scotia Power with the Public Utilities Board; it is interesting to note that customers are able to differentiate among issues and evaluate specific areas of Nova Scotia Power's operations accordingly. For example, while cost efficiency and price were rated much more critically in 1989, the evaluation of service reliability, and courteousness of employees have remained essentially constant.

	Somewhat/Strongly Agree(Disagree)		
	1987 %	1988 %	1989 %
o Provides reliable service	86(5)	88(5)	86(5)
o Has courteous employees	78(5)	81(5)	79(6)
o Has competent employees	79(4)	79(3)	77(6)
o Is sensitive to customer needs	67(12)	70(12)	66(14)
o Is responsive to customer complaints	66(12)	69(10)	66(12)
o Has service-oriented employees	63(5)	66(4)	63(7)
o Has a good public image	67(12)	69(11)	59(19)
o Operates in a cost-efficient manner	46(20)	47(20)	38(27)
o Charges a fair price for electrical service	42(35)	44(33)	38(40)
o Is actively involved in the community	37(17)	36(15)	33(20)

Those who have had the most recent contact with a Nova Scotia Power employee are more likely to think that Nova Scotia Power has courteous employees.

	Courteous Employees		
	Within Last Month %	1-3 Months Ago %	4-6 Months Ago Or More %
o Somewhat/strongly agree	82	81	76
o Somewhat/strongly disagree	7	9	6

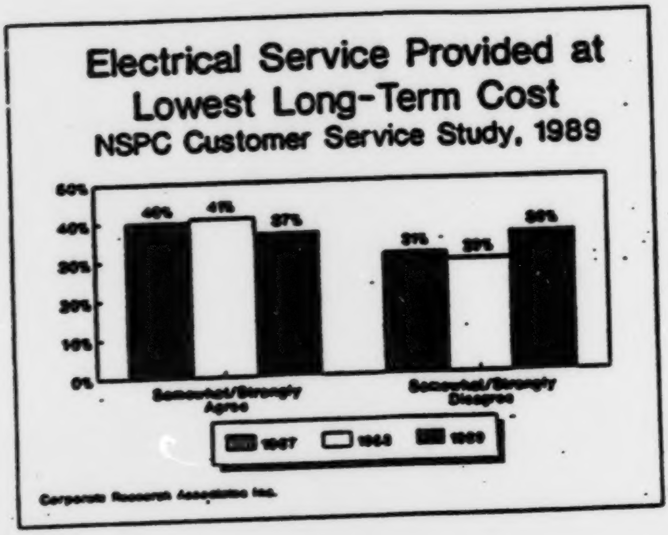
In addition, respondents' overall opinion of the quality of service affects their opinions about specific aspects of Nova Scotia Power, some more severe than others.

	Overall Opinion Somewhat/Strongly Agree (Disagree)		
	Excellent/ Good %	Satisfactory %	Fair/ Poor %
o Provides reliable service	95(1)	75(8)	39(35)
o Has courteous employees	86(3)	67(10)	48(30)
o Has competent employees	85(2)	67(7)	43(33)
o Is sensitive to customer needs	76(6)	50(20)	22(61)
o Is responsive to customer complaints	75(6)	55(19)	26(49)
o Has service-oriented employees	71(2)	49(10)	35(39)
o Has a good public image	69(12)	42(30)	17(57)
o Operates in a cost efficient manner	45(20)	27(36)	14(58)
o Charges a fair price for electrical service	46(31)	26(52)	11(73)
o Is actively involved in the community	40(16)	25(25)	11(73)
o Attempts to provide electrical service at lowest long term cost	43(28)	27(46)	19(67)

The Cost of Service

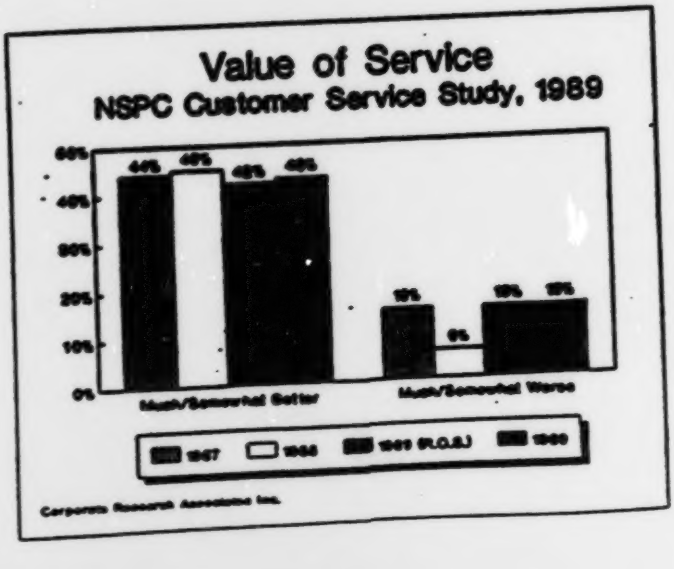
The results indicate that fewer customers now, compared to 1988, believe Nova Scotia Power attempts to provide electrical service at the lowest long-term cost. Fewer than four in ten (37%) in 1989, compared to 41% in 1988, think that Nova Scotia Power attempts to provide electrical service at the lowest long-term cost (Table 7).

The proportion of customers who disagree with this statement has risen significantly since 1988. Nearly four in ten (36%) in 1989, as opposed to three in ten (29%) in 1988, disagree that Nova Scotia Power attempts to provide service at the lowest long-term cost.


Electrical Service Provided at Lowest Long-Term Cost
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

More than four in ten (43%) customers feel the value of their electrical service is either somewhat or much better compared with the cost of other goods and services. This result indicates that the perception of value is more than just an evaluation of the cost of service. The results also suggest that customers recognize the value of their service when their electrical service is directly compared to other goods and services they use on a regular basis (Table 8).

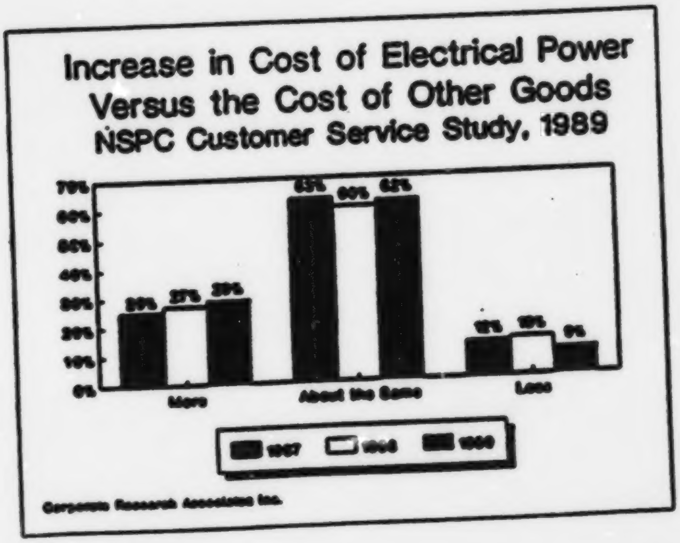

Value of Service
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

Similarly, the opinions about the value of electrical service is related to customers' opinions about the quality of service.

	Quality of Service		
	Excellent/ Good %	Satisfactory %	Fair/ Poor %
Value of Service			
o Somewhat/much better	52	28	14
o Somewhat/much worse	10	23	39

However, since 1987, there has been a gradual increase in those who feel the increase in the cost of electricity has been more than the increase in the cost of other goods and services they use. Now 29% of customers say the increase is more, while 62% say it is the same. Fewer customers (9%) would say the increase in the cost of electricity is less than the increases in other goods and services (Table 9).


Increase in Cost of Electrical Power Versus the Cost of Other Goods NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

As well, the opinion of quality of service influences customers' evaluations of the perceived increase in the cost of electrical service in comparison with the increases in the cost of other goods and services.

	Excellent/ Good %	Satisfactory %	Fair/ Poor %
o More	26	34	46
o About the same	63	60	52
o Less	11	6	2

Generally speaking, the proportion of customers who feel the charges for specific elements of electrical service are reasonable from 1988. In fact, the perception regarding late payment charges have actually shown a marginal improvement.

Now in 1989, a greater number of customers would say the charge for basic electrical service is either somewhat or very unreasonable. Nearly one in four (22%) in 1989, as opposed to 17% in 1988, hold this particular opinion (Tables 10A - 10E).

Somewhat/Very Reasonable (Unreasonable)

	1987 %	1988 %	1989 %
o Basic electrical service	60(17)	60(17)	58(22)
o Late payment charges	58(17)	54(17)	57(17)
o Service connections/disconnections	47(22)	43(22)	43(23)
o Bank charges for processing power bill payments	42(28)	33(29)	36(26)
o Power line extensions for new residential service	40(16)	32(13)	31(14)

Billing Procedures

The results indicate there is an increasing level of satisfaction with billing procedures since 1987. Every area related to billing procedure has been perceived more favourably since 1988.

There has been an improvement, in customers' abilities to reach the right employee to answer inquiries, their service attitudes, and the ease with which billing errors are resolved. In terms of the ease in understanding the bills and the detail in the bills, the increased satisfaction is difficult to explain. It may be that, with virtually no changes in the power bill recently, customers are becoming accustomed to the bill and therefore expressing greater satisfaction (Tables 11A - 11G).

	Somewhat/Very Satisfied		
	1987 %	1988 %	1989 %
o The ease of understanding power bill	74	78	84
o Amount of detail on power bill	72	76	80
o Accuracy of charges on power bill	72	76	78
o Variety of billing plans	58	60	62
o Service attitudes of employees answering billing inquiry	58	57	60
o Ability to get right employee to answer billing inquiry	52	52	55
o Ease of resolving billing errors	52	50	54

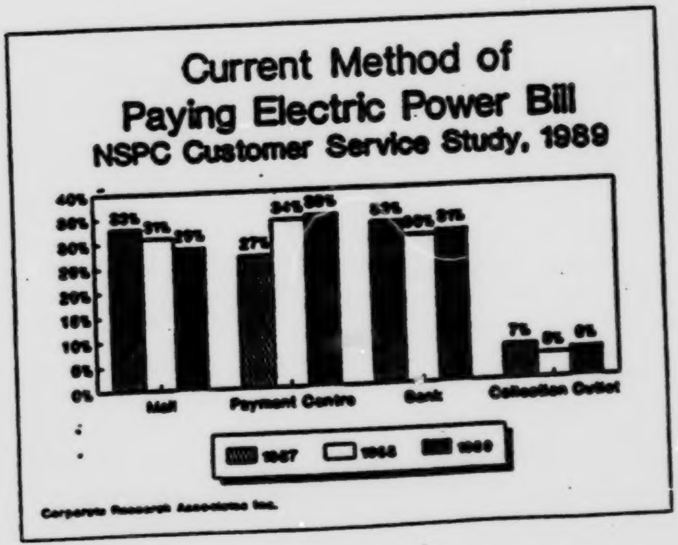
Those with the most recent contact with a Nova Scotia Power employee are more likely to be satisfied with the various issues surrounding the billing process.

	Somewhat/Very Satisfied		
	Within Last Month %	1-3 Months Ago %	4-6 Months Ago Or More %
o Service attitude of employees answering billing inquiry	66	65	55
o Ability to get the right employee to answer a billing inquiry	61	56	50
o Ease of resolving billing errors	57	57	50

Bill Payment Methods

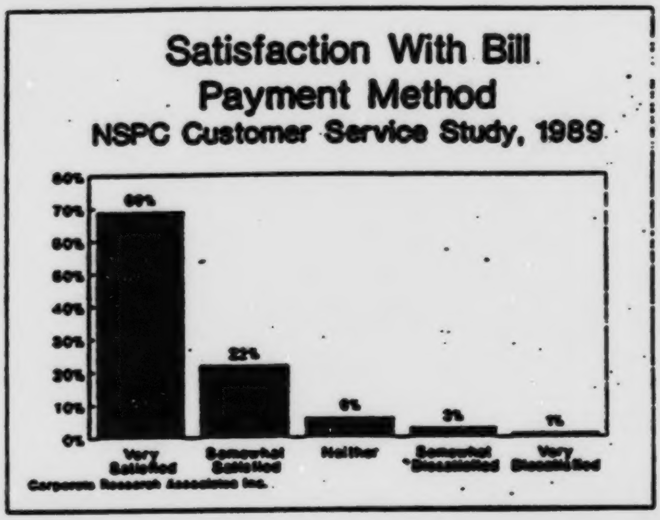
Customers are most likely to pay their electric power bill at a Nova Scotia payment centre. More than one in three (35%) stated they are most likely to pay their bill at a payment centre, followed by the bank (31%), and through the mail (29%) (Table 12).

The results indicate that the likelihood of using the mail to pay the bill has been declining marginally since 1987, whereas the likelihood of using the payment centre increased from 1987 to 1988, and has since remained steady.

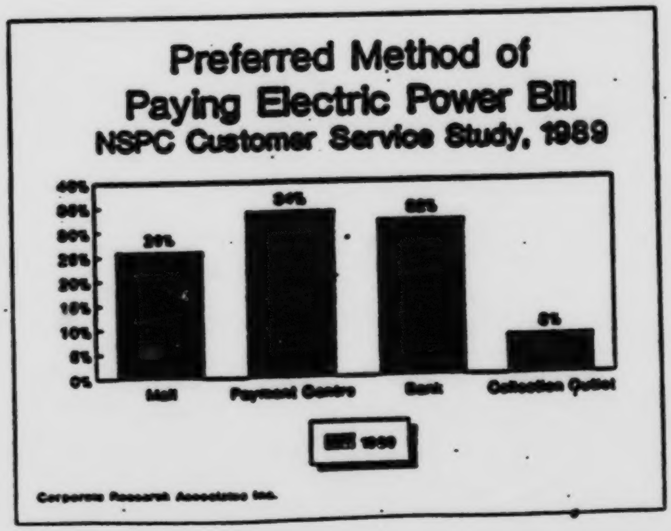

Current Method of Paying Electric Power Bill
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

Clearly, the overwhelming majority (91%) of respondents are presently satisfied with the method by which they normally pay their electric power bill. Only 4% indicated that they are dissatisfied (Table 13).



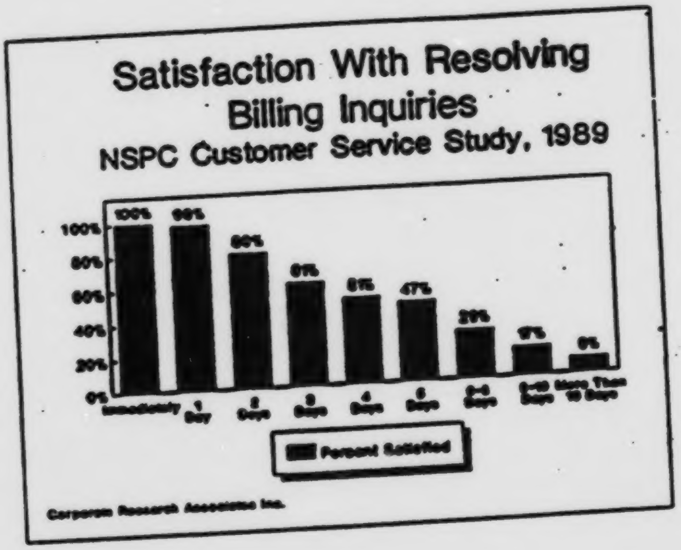
As an indication of customers' satisfaction with their present bill payment method, the preferred bill payment method closely matches their present method. Even so, fewer customers indicated that they would prefer to use the mail (26%), than those who are presently using the mail (29%) (Table 14).



Electric Billing Inquiry

About one in ten (11%) customers has made an inquiry to Nova Scotia Power concerning their bill, in the past six months prior to being surveyed (Table 15).

The results point out that eight in ten (98%) customers who have had a billing inquiry within the past six months would be satisfied if they were able to get their inquiry resolved within one day. However, only 80% would be satisfied with a two-day resolution time for billing inquiries. At five days, only 47% would be satisfied (Table 16).

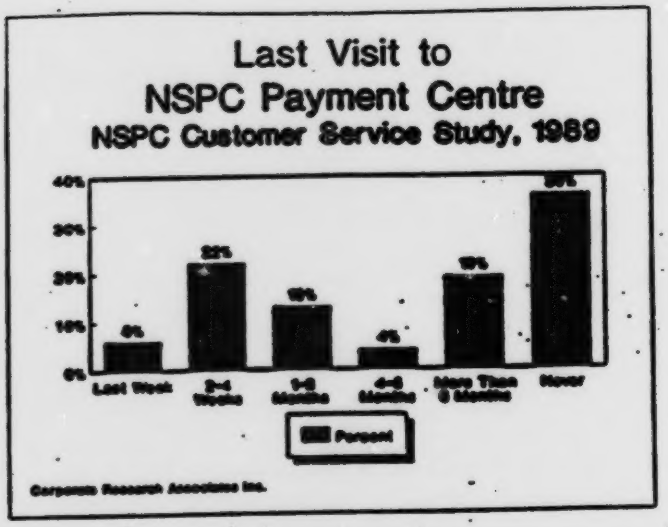

Satisfaction With Resolving Billing Inquiries
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

Almost three in four customers (72%) feel it is at least somewhat or very reasonable to expect to receive a letter of acknowledgement for billing inquiries directed to Nova Scotia Power. Only one in ten thinks it would be unreasonable to expect such an acknowledgement. This would appear to offer Nova Scotia Power an opportunity to partially satisfy customers' demands for both an acknowledgement, and for the billing inquiry resolution (Table 17).

Nova Scotia Power Payment Centre

Within the last month, 28% of those surveyed had visited a Nova Scotia Power payment centre, and almost two in three (64%) have visited the payment centre at sometime in the past. Compared to 1988, a slightly greater number of customers have now had the occasion to visit a payment centre.


Last Visit to
NSPC Payment Centre
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

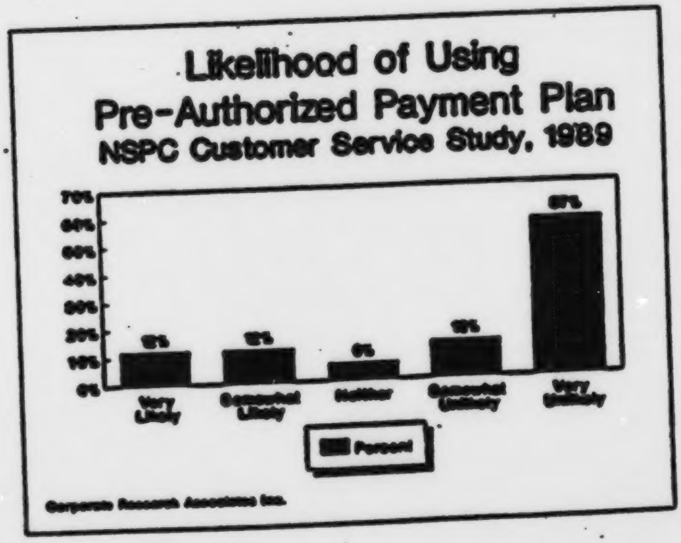
As the following shows, the incidence of the last payment centre visitation has remained essentially unchanged, except that now customers are more likely to have visited such a centre more than six months ago (Table 18).

	1988 %	1989 %
o Within the last week	7	6
o Between 2 and 4 weeks ago	22	22
o Between 1 and 3 months ago	13	13
o Between 4 and 6 months ago	4	4
o More than 6 months ago	14	19
o Never	39	36

The overall opinion of Nova Scotia Power does not vary significantly according to customers' last visit to a Nova Scotia Power payment centre.

	Oil %	Wood %	Electricity %
New Billing Plan			
o Very/somewhat likely	40	38	63
o Very/somewhat unlikely	50	49	29

Fewer customers would likely make use of a pre-authorized payment plan for their power bills. One in four (25%) stated that they would be either somewhat or very likely to use such a plan, whereas 57% said they would be very unlikely to use a pre-authorized payment plan (Table 32).


Likelihood of Using
Pre-Authorized Payment Plan
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

For those respondents who expressed a likelihood for making use of a pre-authorized payment plan, the vast majority (68%) would prefer to have funds withdrawn from their banks using an equalized monthly billing plan, based on a monthly estimate of the total cost of electricity for the household for a year. One in three (32%) would prefer to have funds withdrawn at two month intervals based on the actual consumption of electricity (Table 33).

Most Recent Employee Contact

Nearly three in ten (28%) customers have had some contact with a Nova Scotia Power employee within the past four weeks of being surveyed. These results parallel those found in 1988 and 1987 (Table 34).

	1987 %	1988 %	1989 %
o Within the last week	7	7	8
o Between 2 and 4 weeks ago	18	19	20
o Between 1 and 3 months ago	16	18	18
o Between 4 and 6 months ago	10	8	7
o More than 6 months ago	48	49	47

The most common reason given for customers' last contact with a Nova Scotia Power employee is a bill payment or inquiry (35%), followed by a service connection or disconnection (19%). Few mentioned a service disruption or failure (9%), or a meter reading (8%). As the following shows, these results are similar to those gathered in 1988 (Table 35).

	1987 %	1988 %	1989 %
o Bill payment/inquiry	26	34	35
o Service connection/disconnection	26	19	19
o Service disruption/failure	13	10	9
o Meter reading	9	8	8

Those customers with the most recent contact with a NSPC employee are more likely to have been paying a bill or making a billing inquiry. Conversely, those having contact long ago are more likely to have contacted for service connection or disconnection, or as a result of service disruption. Not surprisingly, those having contact long ago are likely to have forgetten the reason for their contact.

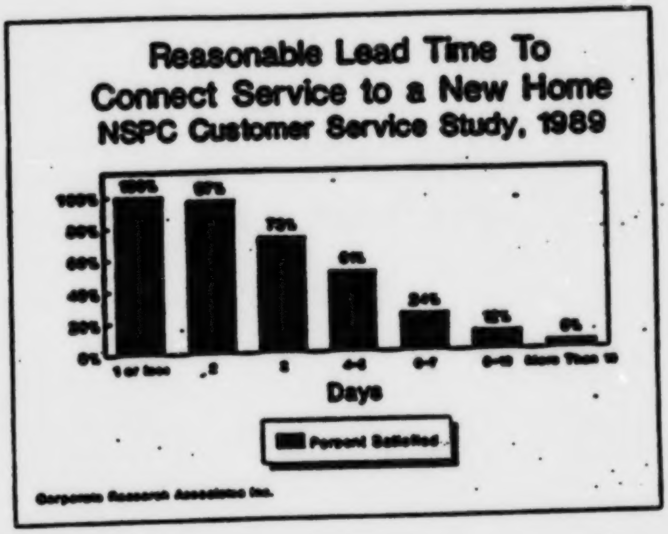
There continues to be a deterioration since 1987 in the degree of satisfaction with the ease of arranging service connections or disconnections (Table 39A - 39D). The other measures related to service connection/disconnection appear to have remained stable.

	Somewhat/Very Satisfied		
	1987 %	1988 %	1989 %
o Ability to reach the right employee to request a service connection or disconnection	79	81	82
o Time it took to complete service connection/disconnection once request was made	80	78	80
o Overall manner in which the service connection/ disconnection was handled	76	78	80
o Ease of arranging service connection or disconnections	85	81	76

Service Connection Expectations

The results show that for a service connection to a new home, a two day lead time would meet the expectations of virtually all (97%) customers. However, a three day lead time for new home connection would satisfy only three-quarters (73%) of all customers (Table 40).

The average lead time for service connection to a new home is 4.6 days.

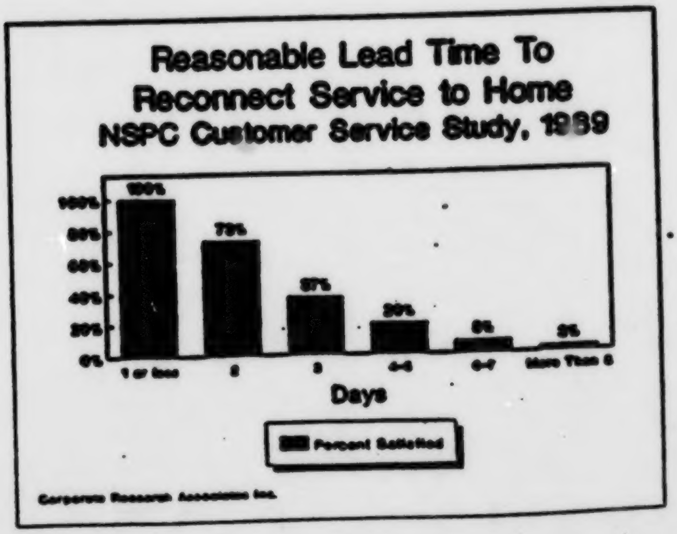


Reasonable Lead Time To Connect Service to a New Home
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

Not surprisingly, the lead time expected by customers is higher for the reconnection of service to a home that had been previously connected. A one-day lead time would meet the expectations of all customers, whereas, a two day lead time would meet the expectations of three in four (73%) customers (Table 41). These figures provided by customers will allow Nova Scotia Power to evaluate its own performance in relation to the expectation of customers.

As expected, the average lead-time expected for reconnection to a home which had been previously connected is lower than that for connection to a new home. The average lead time expected for such service is 2.7 days.



Reasonable Lead Time To Reconnect Service to Home
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

Half (51%) of customers surveyed would choose electricity as their water heating system. Nearly four in ten (37%) would likely choose oil as their water heating system. Not unexpectedly, very few would choose wood for their water heating system (3%) (Table 46).

The majority of customers who heat their homes primarily with electricity would choose electricity as their water heating system. In fact, as the following illustrates, electric water heating systems appear to be relatively popular with most groups.

	Primary Source		
	Oil %	Wood %	Electricity %
New Water Heating System			
o Electricity	44	54	68
o Oil	48	26	22
o Wood	2	11	1

Service Information

The majority (63%) of Nova Scotians feel that Nova Scotia Power keeps them informed of the services offered by the Company; however, 12% do not think the Company keeps them informed. This result is essentially unchanged from the results gathered in 1988 (Table 47).

Nova Scotia Power Keeps Customers Informed about Services

	1987 %	1988 %	1989 %
o Somewhat/strongly agree	60	63	63
o Somewhat/strongly disagree	19	10	12

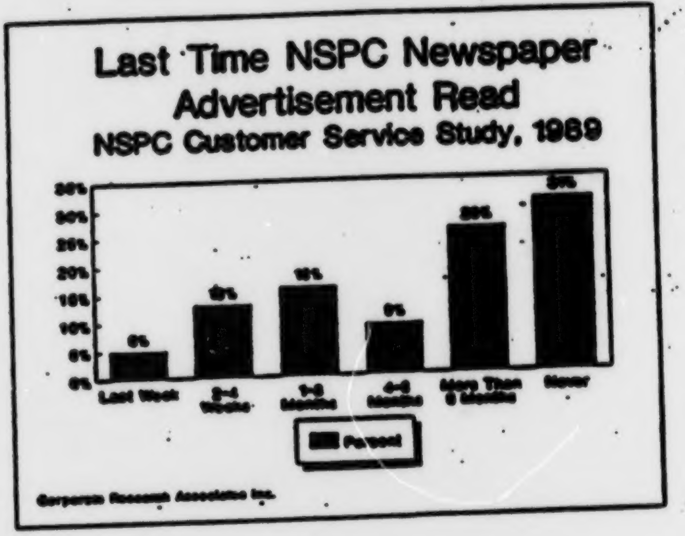
Generally speaking, the main sources of information for customers regarding Nova Scotia Power remain unchanged from 1988. The bill inserts remain by far the most important information source for customers regarding Nova Scotia Power (Table 48).

	1987 %	1988 %	1989 %
o Bill inserts	74	74	73
o Newspaper	11	15	15
o Television	9	8	9
o Other	6	3	4

It is however, interesting to note that the main sources of information for customers regarding Nova Scotia Power vary according to the overall opinion customers have about the Company. Those with an excellent or good overall opinion of NSPC are more likely to use bill inserts, but less likely to use the newspaper as an information source.

	Overall Opinion Of NSPC		
	Excellent/ Good %	Satisfactory %	Fair/ Poor %
o Bill inserts	76	68	68
o Newspaper	13	17	20
o Television	8	11	8

One in three (34%) customers have read a newspaper advertisement from Nova Scotia Power within the past three months. However, nearly six in ten (57%) have either read an advertisement more than six months ago or had never read a newspaper advertisement from Nova Scotia Power (Table 49).


Last Time NSPC Newspaper Advertisement Read
NSPC Customer Service Study, 1989

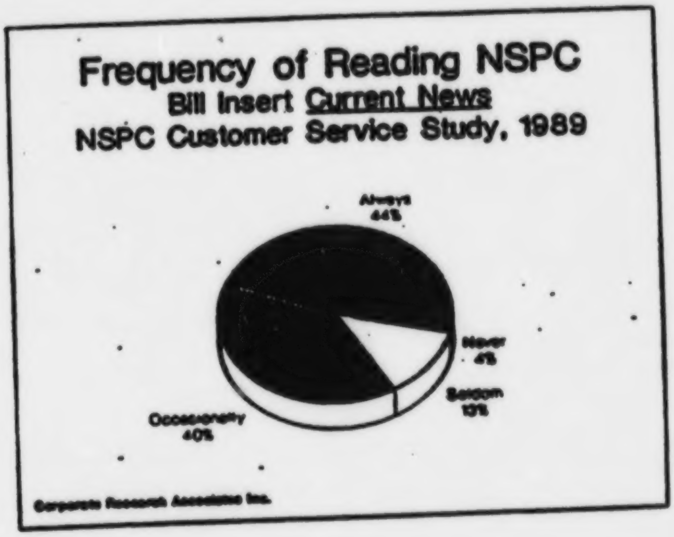
Corporate Research Associates Inc.

Generally speaking, as the following table illustrates, the overall opinion of Nova Scotia Power does not vary significantly based on when customers had last read a newspaper advertisement from Nova Scotia Power.

	Overall Opinion		
	Excellent/ Good %	Satisfactory %	Fair/ Poor %
o Less than one month ago	18	20	19
o One - six months ago	25	25	21
o More than 6 months ago	26	27	26
o Never	31	29	33

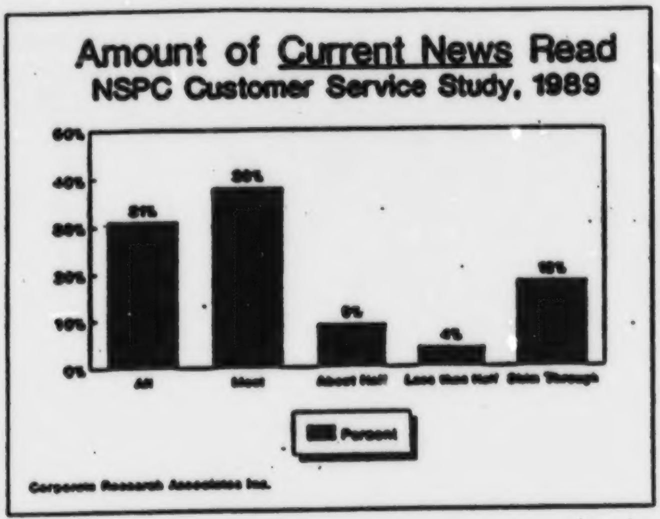
Current News Bill Inserts

The overwhelming majority of customers continue to read the "Current News" bill inserts at least occasionally. More than four in ten (44%) always read the inserts, whereas another 40% read the inserts on occasion. Only 4% never read the "Current News" bill inserts. Clearly, with three in four customers citing the bill inserts as their main source of information, and more than eight in ten reading them at least occasionally, this publication is important in providing the general public with information about the Company (Table 50).


Frequency of Reading NSPC
Bill Insert Current News
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

For the majority who read the "Current News" bill inserts, seven in ten (69%) read at least most of the insert. On the other hand, almost one in five (18%) would skim through the publication but read very little of it (Table 51).

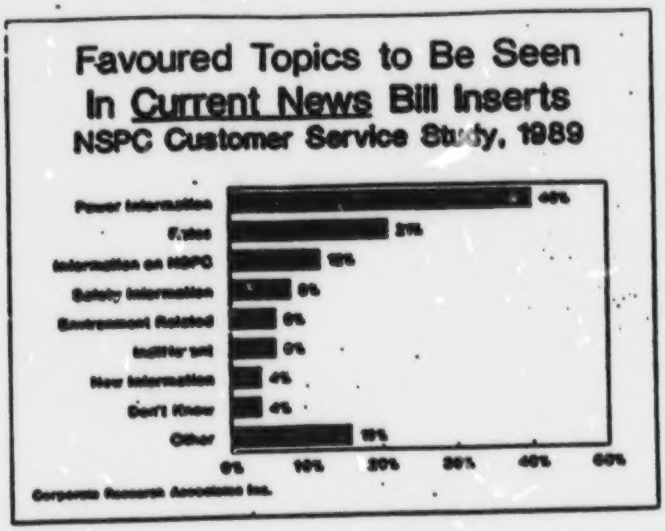


Amount of Current News Read
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

Nearly six in ten respondents (57%) have an either excellent or good opinion about the "Current News" bill insert. This result is virtually identical to the results found in 1988 when 58% held the same opinion. As in 1988, a large minority (36%) have a neutral opinion about the "Current News" bill insert (Table 52). The neutral opinion may partly be a result of the perception that the bill insert is an information source, and not a source of entertainment for readers.

In terms of the topics in the "Current News" bill inserts, four in ten would most like to see information regarding appliance usage or the efficient use of electrical power. Another one in five (21%) would like to see information regarding the price of electricity charged by Nova Scotia Power. Another 12% of respondents would most like to see information about Nova Scotia Power and its accountability and as one customer stated, "where our billing dollars are spent" (Table 53).



Favoured Topics to Be Seen In Current News Bill Inserts
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

It is clear that customers prefer to continue receiving the "Current News" bill inserts. Nine in ten (89%) stated they would, if given a choice, prefer to receive the inserts. The remainder (11%) would prefer not to receive the inserts (Table 54).

Specific Nova Scotia Power Programs

The results suggest that customers are now more likely to be satisfied with the quality of electrical education and safety information provided by Nova Scotia Power. While 59% of customers in 1988 stated that they were somewhat or very satisfied with the quality of this information, nearly two in three (65%) would say the same in 1989 (Table 55).

	1988 %	1989 %
o Somewhat/very satisfied	59	65
o Neither satisfied/dissatisfied	34	27
o Somewhat/very dissatisfied	7	8

While more than four in ten (43%) rate the availability of the electrical education and safety information provided by Nova Scotia as being excellent or good, one in five (20%) feels the availability is fair or poor. This represents a marginal increase from 1988, in those who would say the availability of such information is either fair or poor (Table 56).

	1988 %	1989 %
o Excellent/Good	43	43
o Satisfactory	40	37
o Fair/Poor	17	20

There is no change since 1988, in the proportion of customers who feel that educating children on electricity and electrical safety is either somewhat or very appropriate. More than eight in ten customers (85%) think such an initiative is either very or somewhat appropriate. In fact, there is evidence to suggest that the support in 1989 is now somewhat stronger than that voiced in 1988.

	1988 %	1989 %
o Very appropriate	47	52
o Somewhat appropriate	37	34
o Neither	11	9
o Somewhat inappropriate	4	4
o Very inappropriate	2	2

Promotional Activities

Agreement among customers that Nova Scotia Power's telephone directory listing is easy to read continues to rise. Now, more than three in four (77%) customers think the directory listing is easy to read.

On the other hand, opposition to the use of newspaper ads to promote Nova Scotia Power's services has increased since 1988. As well, fewer than four in ten (38%) think Nova Scotia Power should use television ads, whereas 31% oppose this idea (Table 58A - 58E).

The level of support for a toll-free information number and a directory outlining all available programs remain unchanged from 1988.

	Somewhat/Strongly Agree (Disagree)		
	1987 %	1988 %	1989 %
o Should have a toll-free telephone information number	82(4)	80(5)	82(5)
o Should have a directory outlining all available programs	N/A	80(4)	81(5)
o Telephone directory listing is easy to read	69(5)	73(7)	77(7)
o Should use newspaper ads to promote services	42(21)	42(21)	40(27)
o Should use television ads to promote services	N/A	N/A	38(31)

It is noteworthy that the opposition to Nova Scotia Power's using either newspaper ads or television ads to promote its services increases as customers' overall opinion of Nova Scotia Power becomes less favourable.

	Strongly/Somewhat Agree (Disagree) Overall Opinion of NSPC		
	Excellent/ Good %	Satisfactory %	Fair/ Poor %
o Should use newspaper ads to promote services	41(24)	37(26)	29(44)
o Should use television ads to promote services	40(29)	34(29)	33(46)

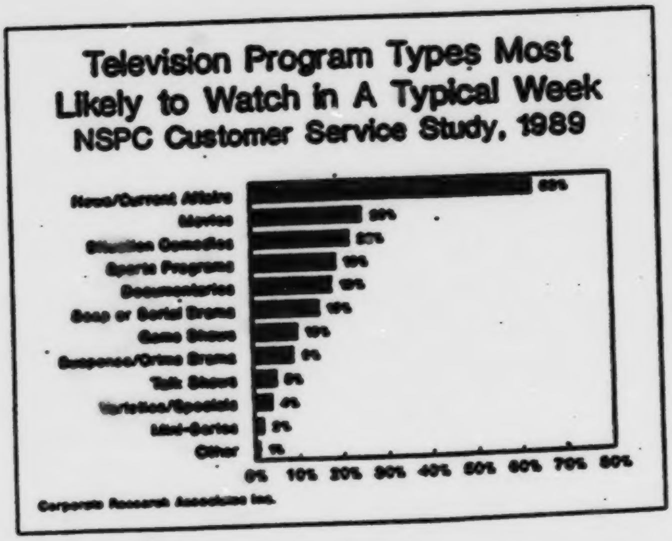
As well, there is evidence to suggest that those who heat their homes primarily with electricity are least likely to feel that newspaper ads should be used to promote Nova Scotia Power's services.

	Somewhat/Strongly Agree (Disagree)		
	Oil %	Wood %	Electricity %
o Should use newspaper ads to promote services	40(21)	41(20)	34(31)
o Should use television ads to promote services	37(31)	38(28)	36(32)

As in 1987 and 1988, there is nearly unanimous agreement that Nova Scotia Power employees should notify homeowners of any unusual activities they might notice while working near a customer's home. More than nine in ten (94%) customers would support such an initiative by Nova Scotia Power employees (Table 59).

Customer Media Habits

When asked about the types of television programs most likely to be watched in a typical week, 63% of customers mentioned that they watch news programs most often. Other types of programs included movies (25%), situation comedies (22%), sports programs (19%), and documentaries (18%). The following graph outlines the programs most likely to be viewed (Table 60).



Television Program Types Most Likely to Watch in A Typical Week
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

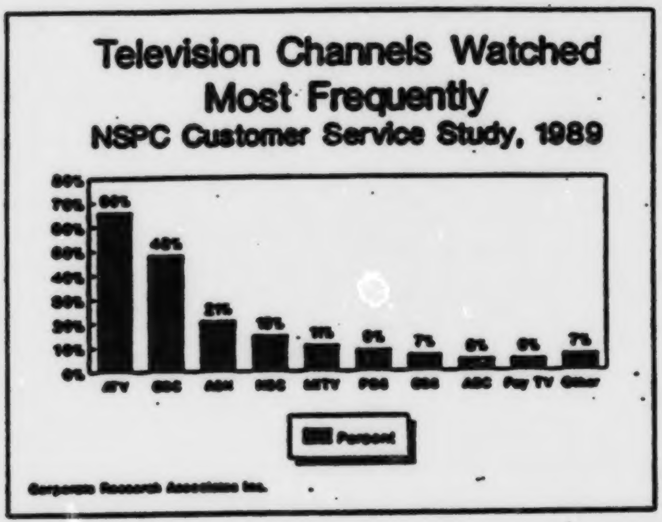
In terms of television viewing habits, those who have a more critical overall opinion of Nova Scotia Power are marginally more likely to watch news programs, documentaries, and situation comedies.

	Overall Opinion of NSPC		
	Excellent/ Good %	Satisfactory %	Fair/ Poor %
News/current affairs	63	61	67
Movies	24	28	27
Situation comedies	23	22	28
Sports programs	20	18	23
Documentaries	18	15	25
Soap or special dramas	15	16	13

Interestingly, primary wood heat users are more likely to watch soaps or serial dramas, whereas oil heat users are more likely than other users to watch news programs.

	Oil %	Wood %	Electricity %
News/current affairs	65	62	58
Movies	26	29	25
Situation comedies	20	24	25
Sports programs	19	17	22
Documentaries	18	16	19
Soap or serial dramas	15	21	11

By far the two most watched television channels are ATV (66%), and CBC (48%) (Table 61).



Television Channels Watched Most Frequently
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

Those viewers with either an excellent or good overall opinion of Nova Scotia Power are more likely to watch ASN, CBC, and ATV, but marginally less likely to watch PBS.

	Overall Opinion of NSPC		
	Excellent/ Good %	Satisfactory %	Fair/ Poor %
o ATV	66	67	57
o CBC	47	51	42
o ASN	22	20	17
o NBC	15	15	16
o MITV	10	11	14
o PBS	9	8	13
o CBS	8	6	9

As the following table illustrates, primary wood heat users are significantly more likely to watch both ATV and CBC. Electric heat users are more likely to watch NBC.

	Oil %	Wood %	Electricity %
o ATV	63	93	63
o CBC	49	69	42
o ASN	22	20	23
o NBC	14	10	22
o MITV	12	13	10
o PBS	10	6	9
o CBS	8	7	7

Perhaps not surprisingly, The Chronicle-Herald/The Mail Star is the newspaper most likely to be read on a regular basis. In fact, nearly three in four (72%) customers reported they read The Chronicle-Herald/The Mail-Star regularly. This is followed distantly by The Daily News (21%), and by The Cape Breton Post (13%) (Table 61).

Those customers with a more favourable overall opinion of Nova Scotia Power are marginally more likely to read The Cape Breton Post.

	Overall Opinion of NSPC		
	Excellent/ Good %	Satisfactory %	Fair/ Poor %
o The Chronicle-Herald/ The Mail-Star	73	70	73
o The Daily News	19	24	23
o Cape Breton Post	14	14	6
o The Globe and Mail	7	9	9

The newspaper reading habits differ somewhat according to the primary home heating sources. Wood heat users area less likely to read The Chronicle-Herald/The Mail-Star, or The Daily News. This may be partially due to the variances between rural and urban populations.

	Oil %	Wood %	Electricity %
o The Chronicle-Herald	73	66	76
o The Daily News	21	13	27
o The Cape Breton Post	14	8	11
o The Globe and Mail	10	2	6

The Reliability of Electrical Service

About half (52%) of all customers think they have experienced fewer than three power outages in the past year. Indeed, one in ten (11%) stated that they did not experience any outages in the past year; this is an improvement from 1988 when 4% said they did not experience any outages. Overall it would appear that customers now feel that they experienced fewer outages than they had in 1988 (Table 63).

In 1989, the average number of power outages experienced by customers is 3.4 outages.

	1987 %	1988 %	1989* %
o None	4	4	11
o One	11	7	15
o Two	24	17	26
o Three	22	20	16
o Four	12	14	10
o Five-Six	15	19	12
o Seven or more	12	17	11

* 1989 Reliability of Service Study

It is noteworthy that customers with a fair or poor opinion of Nova Scotia Power's quality of service are more likely to say they suffered a greater number of power outages in the past year.

	Overall Opinion Quality of Service		
	Excellent/ Good %	Satisfactory %	Fair/ Poor %
Number of Outages			
o None	11	12	6
o One	17	11	10
o Two	28	26	13
o Three	16	17	10
o Four	9	10	14
o Five-Six	12	13	20
o Seven or more	8	12	26

Coincident with this perception by customers that they have experienced a lower number of power outages, is the clear perception that the number of outages they experience is either somewhat or very reasonable. While in 1988, 69% of customers thought the number of outages was reasonable, now in 1989, more than three in four (77%) think the number is reasonable (Table 64).

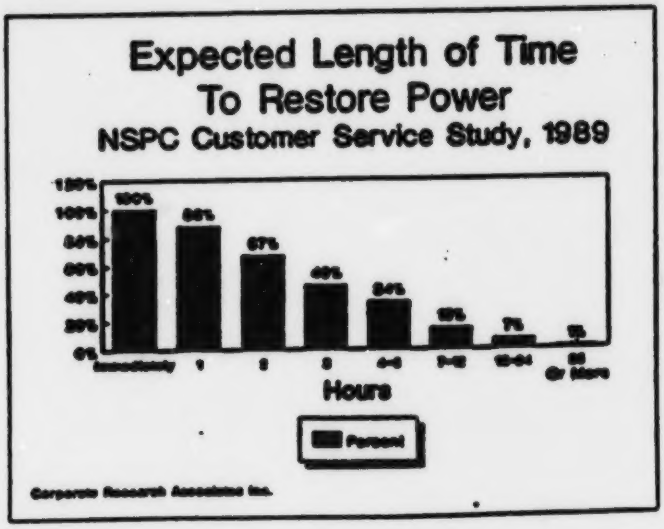
	Number of Power Outages	
	1988 %	1989 %
o Somewhat/very reasonable	69	77
o Somewhat/very unreasonable	17	12

Not surprisingly, those with an excellent or good opinion of quality of service are more likely to feel the number of outages is reasonable. An examination of the perceived number of outages would serve to confirm this fact.

	Overall Opinion Quality of Service		
	Excellent/ Good %	Satisfactory %	Fair/ Poor %
Number of Outages is:			
o Somewhat/very reasonable	83	67	43
o Somewhat/very unreasonable	6	19	41

The restoration of electrical power for a home which was completely out of service within one hour would meet the expectations of 88% of Nova Scotia Power's customers. However, a two-hour restoration time would meet the expectations of two-thirds of Nova Scotia Power's customers, while a three-hour restoration time would meet the expectations of less than half (46%) of the Company's customers (Table 65).

Overall, in Nova Scotia, the average time expected by customers for the restoration of electrical service is 4.9 hours.


Expected Length of Time To Restore Power
NSPC Customer Service Study, 1989

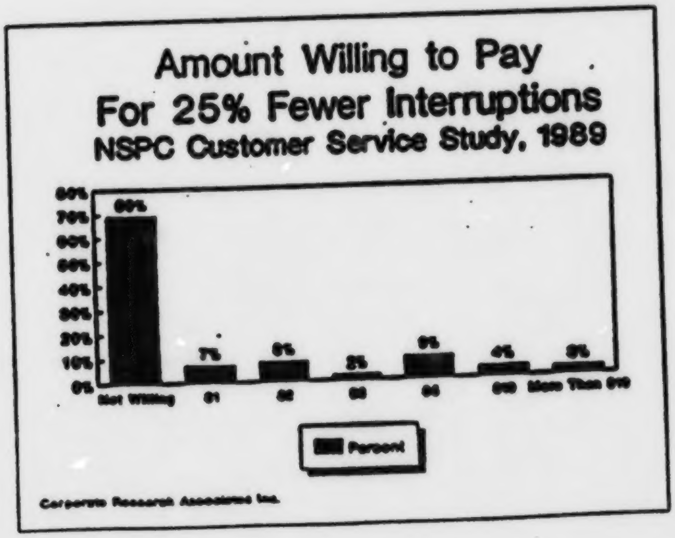
Corporate Research Associates Inc.

The expectations for service restoration are higher for customers with a fair or poor overall opinion of the quality of service. It should be reminded that this group of customers is also the most likely to say they experience a greater number of power outages.

	Expectations Met Overall Opinion Quality of Service		
	Excellent/ Good %	Satisfactory %	Fair/ Poor %
o Immediately	100	100	100
o One hour	86	91	89
o Two hours	67	67	63
o Three hours	47	46	40
o Four-six hours	35	34	33
o Seven to 12 hours	16	15	11
o More than 12 hours	8	9	7

Seven in ten (69%) customers would not be willing to pay anything to achieve a 25% reduction in the number of power outages they experience in the past twelve months. This compares with 72% who were unwilling to pay anything in 1988 to reduce the number of outages by 25%. Another 15% would pay $1 or $2 to achieve 25% fewer power interruptions (Table 66).

The average amount that Nova Scotians would be willing to pay for a 25% reduction in power interruptions is $1.78.


Amount Willing to Pay
For 25% Fewer Interruptions
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

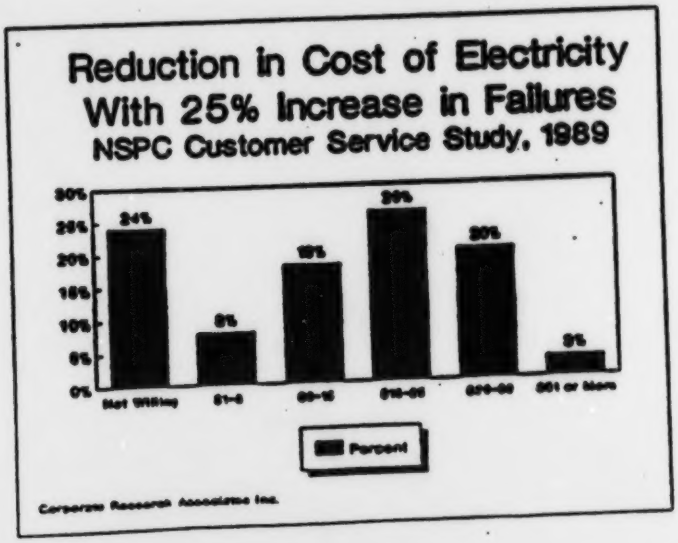
Interestingly, customers with a fair or poor opinion of the quality of service are more likely to be unwilling to pay anything for 25% fewer power interruptions. The majority in all groups would be unwilling to pay anything.

	Excellent/ Good %	Satisfactory %	Fair/ Poor %
o Not willing to pay	67	71	78
o $1	7	6	4
o $2	8	8	9
o $3	3	0	0
o $5	9	9	5
o $10	4	3	2
o More than $10	2	3	1

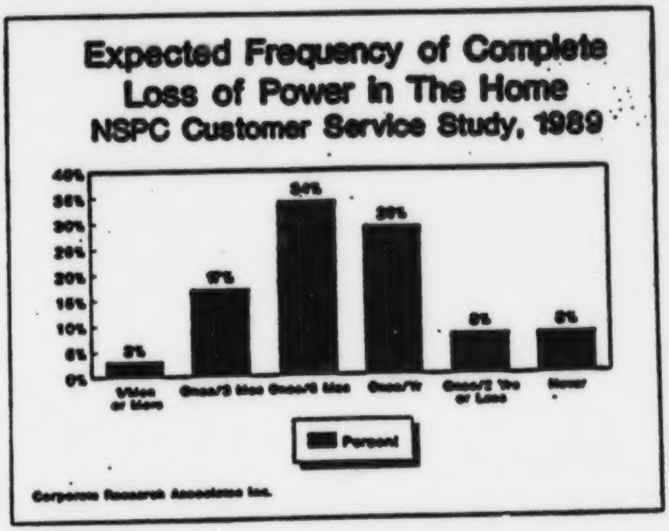
One in four (24%) customers would not be willing to assume any reduction in the cost of electricity for a 25% increase in the number of power interruptions. This would indicate that for this group of customers, the reliability of service is an important consideration.

As the following graph illustrates, 26% of customers think that a 16% - 25% reduction in the cost of electricity would be reasonable, for a 25% increase in the number of power failures (Table 67).

The average decrease in electrical cost expected is 20.4%, for a 25% increase in the number of power interruptions.



One in three (34%) customers reasonably expect a complete loss of power in their home once every six months, while another 29% expect an outage once a year. Interestingly, 8% of those surveyed never expect any outages at all (Table 68).



Those who have a fair or poor opinion about NSPC's quality of service are somewhat more likely to expect to experience a power outage more than once a month.

	Excellent/ Good %	Satisfactory %	Fair/ Poor %
o Once a month or more	2	2	8
o Once every three months	17	16	16
o Once every six months	36	33	28
o Once a year	29	29	31
o Once every two years	8	10	10
o Never	8	10	6

Recommendations to Improve Quality of Service

While a wide range of recommendations were given to improve the quality of service provided by Nova Scotia Power, the greatest number of customers (28%) is satisfied with the present service. This is similar to 1988 when 29% indicated they were satisfied.

Other recommendations included practising preventative maintenance (11%); having more efficient manpower (11%); and lowering power rates (10%). There has been a decrease since 1988 in those who feel Nova Scotia Power should advertise and develop their services (Table 58).

Recommendations

	1987 %	1988 %	1989 %
o Service is fine	19	29	28
o Practise preventative maintenance	15	14	11
o More efficient manpower	N/A	9	11
o Lower power rates	7	12	10
o Advertise and develop services	6	12	4

Customer Profile

There has been a reduction in those surveyed who are male. Now, 51% of those surveyed are male, as compared to 58% in 1988 (Table 70).

As in 1988 and 1987, the great majority (84%) of respondents own their own residence and pay their own heat (92%) and hot water (92%) (Tables 74, 75A - 75B).

	1987 %	1988 %	1989 %
Gender			
o Male	58	58	51
o Female	42	42	49
Age			
o 45 years or older	53	55	55
Education			
o High school or less	67	60	58
o Some college/university	9	12	8
o College/university complete	17	20	24
Household Income			
o Less than $25,000	47	44	39
o $25,000 - $49,999	37	39	42
o $50,000 or more	12	17	18
Residence			
o Own	87	84	84
o Rent	14	16	16

	1987 %	1988 %	1989 %
Pay Own			
o Heat	94	92	92
o Hot water	91	87	92

Final Comments

The most notable changes, in terms of customers' final comments are that fewer customers would say they are satisfied with Nova Scotia Power, while more customers would now say that the power rates are too high (Table 77).

Final Comments .

	1987 %	1988 %	1989 %
o Fine job	47	58	47
o Cost too high	14	21	28

Part B: Comparison of Results by Zone

Part B of the analysis examines the results of the survey by zone and identifies the major differences among the individual zones. As well, any variances recorded from previous studies are also documented.

Overall Opinion of Nova Scotia Power

The results indicate that the overall opinion of Nova Scotia Power has deteriorated in every zone since 1988. Generally speaking, the overall opinion of Nova Scotia Power is similar in every zone, except that those in the Eastern Zone are likely to have a marginally more favourable overall opinion.

The overall opinion of the Company has decreased the least in the Halifax Zone, where it now stands at the same level it held in 1987 (Table 1).

Excellent/Good Overall Opinion of NSPC

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o 1987	67	70	63	59
o 1988	66	71	67	62
o 1989	59	63	60	58

Overall Opinion of Service

As in 1988, the overall opinion of the quality of service is considered somewhat more favourably by customers in the Eastern Zone. Even so, the rating of quality of service has declined in every zone, except for the Western Zone (Table 2).

Excellent/Good
Opinion of Quality of Service

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o 1987	70	72	66	63
o 1988	69	74	70	69
o 1989	68	70	64	66

The results indicate that the opinion of quality of service has deteriorated most dramatically in the Central Zone.

Those in the Eastern Zone are most likely to believe that the quality of service compared to two years ago is better, while Halifax Zone residents area least likely to believe the quality of service is better. The rating in all zones has declined, except for the Central Zone (Table 3).

Somewhat/Much Better
Quality of Service Compared With a
Couple of Years Ago

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o 1988	50	60	50	35
o 1989	44	57	48	31

Halifax Zone customers are least likely to think the quality of service provided by Nova Scotia Power is better than that provided by other businesses. In addition, the results show that this rating has declined in every zone in the province (Table 4).

	Somewhat/Much Better Quality of Service Compared to Other Businesses			
	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o 1988	49	56	51	46
o 1989	43	49	45	40

As in 1988, customers in the Eastern Zone have the most favourable opinion regarding the quality of work performed by Nova Scotia Power employees. Halifax Zone respondents have the least favourable opinion of the quality of work performed by NSPC employees (Table 5).

	Excellent/Good Quality of Work Performed by NSPC Employees			
	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o 1988	73	83	79	69
o 1989	69	77	69	64

General Impressions of Nova Scotia Power

It is interesting to note that while Eastern Zone customers are least likely, along with Halifax Zone customers, to think the Company charges a fair price for electrical service, Eastern Zone customers are the most favourable with regards to virtually every other evaluation.

On the other hand, on most of the variables tested, Halifax Zone customers appear to be the least favourable. The issues of sensitivity to customer needs, service oriented employees, public image, operating in a cost-efficient manner, and charging a fair price for service have shown statistically significant declines since 1988 in virtually every zone in the province (Table 6A-6J).

	1989 (1988) Somewhat/Strongly Agree			
	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Provides reliable service	85	90	86(91)	85
o Has courteous employees	80	83	83(87)	73
o Has competent employees	80	85	80	70
o Is sensitive to customer needs	67(72)	72(76)	67(74)	60
o Is responsive to customer complaints	69	72(78)	67(75)	61
o Has service oriented employees	62(67)	68(76)	67(73)	57
o Has a good public image	59(72)	64(75)	63(72)	53(62)
o Operates in a cost-efficient manner	38(46)	48(56)	41(47)	33(41)
o Charges a fair price for electrical service	41(47)	36(44)	44(50)	35(49)
o Is actively involved in the community	34	39	32(38)	34

The Cost of Service

Central Zone customers are marginally more likely than customers in the remaining zones to feel that Nova Scotia Power attempts to provide electrical service at the lowest long term cost. Slightly more than four in ten respondents (42%) in the Central Zone feel Nova Scotia Power attempts to provide electricity at the lowest long term cost (Table 7). The agreement with this statement has fallen the most in the Eastern Zone, from 46% in 1988 to 37% in 1989. The figures for the Halifax Zone remain virtually unchanged with respect to this issue.

	Attempts to Provide Electrical Service at Lowest Long Term Cost			
	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o 1988	39(27)	46(25)	43(26)	38(33)
o 1989	36(36)	37(36)	42(32)	37(35)

It is interesting to note that the perception of the value of electrical service compared to the cost of other goods and services has remained relatively stable since 1988, except in the Eastern Zone, and in the Western Zone where there has been a drop. In fact, the perception of the value of service has actually improved in the Halifax Zone (Table 8).

	Somewhat/Much Better (Worse) Value of Service Compared To Cost of Goods and Services			
	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o 1988	46(14)	49(16)	50(13)	38(19)
o 1989	42(13)	41(17)	48(13)	43(17)

In terms of the change in the cost of electrical service, compared with the change in the costs of other goods and services, the results by zone are generally similar. The majority in all zones feel the increases in electrical cost have been the same as those of other goods and services (Table 9).

Those in the Central Zone and to a lesser degree in the Halifax Zone, are more likely than in 1988 to think the increases have been more than the increases in other goods and services.

1989(1988)
Increase in Cost of Electrical Service

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o More	28(27)	31(34)	31(24)	29(25)
o Same	64(62)	64(57)	60(62)	59(59)
o Less	8(11)	6(9)	9(14)	12(16)

Central Zone respondents are most likely to feel the charges for basic electrical service are reasonable, while Eastern Zone respondents are most likely to think the charges for power line extensions for new residential service are reasonable (Table 10A-10E).

Since 1988, customers in the Eastern Zone are less likely to rate the charges for basic electrical service as either somewhat or very reasonable.

Somewhat/Very Reasonable

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Basic electrical service	59	57(67)	63	58
o Late payment charges	56	57	55	58
o Service connections/ disconnections	44	46	43	44
o Bank charges for processing power bill payments	38	37	35	34
o Power line extensions for new residential service	34	38	31	26

Billing Procedures

Customers in the Halifax Zone are least likely to be satisfied with the individual elements of the power bill tested. On the other hand, on most issues, Eastern Zone respondents appear to be the most satisfied with the power bill.

It is noteworthy that in the Halifax and Western Zones, several areas related to the power bill have shown improvements in the level of satisfaction since 1988 (Table 11A-11G).

	Somewhat/Very Satisfied 1989(1988)			
	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o The ease of understanding power bill	85(80)	87	83	83(76)
o Amount of detail on power bill	81	84	79	80(72)
o Accuracy of charges on power bill	80(75)	79	81	75
o Variety of billing plans	66(58)	74	61	56(51)
o Service attitudes of employees answering billing inquiry	60(54)	67	61	56
o Ability to get right employee to answer billing inquiry	53	62	56	52
o Ease of resolving billing errors	52	62	56	52(46)

Bill Payment Methods

As in 1988, those in the Halifax Zone are much less likely to pay their electric bill at a Nova Scotia Power payment centre, and much more likely to pay by cheque through the mail. No statistically significant changes can be seen between 1988 and 1989 (Table 12).

Power Bill Payment

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
Mail	22	21	25	42
Nova Scotia Power payment centre	36	52	42	21
Bank	35	23	30	31

The results show that the satisfaction with the method of bill payment has increased in the Eastern and Halifax Zones since 1988 (Table 13).

Somewhat/Very Satisfied Present Method of Bill Payment

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
1988	88	89	89	81
1989	92	94	90	89

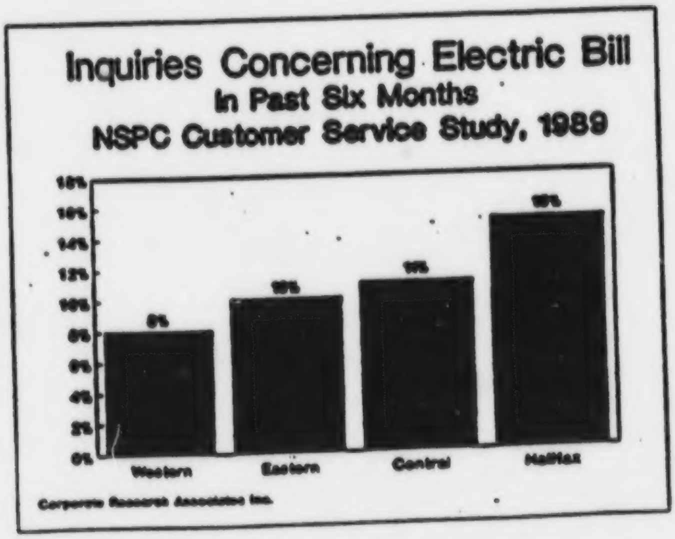
For the majority in most zones, customers would prefer to pay their bill exactly as they are presently paying it. However, while 42% in the Halifax Zone are presently paying through the mail, only 36% would prefer to pay the bill in this manner (Table 14).

Prefer to Pay Power Bill

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Mail	20	20	24	36
o Nova Scotia Power payment centre	35	51	40	20
o Bank	37	22	31	33

Electric Billing Inquiry

Customers in the Halifax Zone are most likely to have made any inquiries to Nova Scotia Power regarding their power bill, even though only 15% have ever inquired about their bill (Table 15).


Inquiries Concerning Electric Bill
In Past Six Months
NSPC Customer Service Study, 1989

Corporate Research Associates Inc.

Not unexpectedly, customers in the Halifax Zone appear to have higher expectations than the remaining zones with regards to the length of time required for a billing inquiry resolution. In fact, only about four in ten customers in the Halifax Zone would have their billing inquiry expectations met with a three day resolution time.

On the other hand, it would appear that Western Zone respondents have the lowest expectation with respect to billing inquiry resolution (Table 16).

Expectations Met
Length of Time for Billing Inquiry Resolution

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Immediately	100	100	100	100
o One day	88	79	78	77
o Two days	70	65	62	53
o Three days	58	55	53	42
o Four days	56	51	47	39
o Five days	38	29	29	21
o Six days or more	36	28	28	17

Interestingly enough, Halifax Zone customers are significantly less likely to think it is reasonable to expect a letter of acknowledgement for billing inquiries directed at Nova Scotia Power (Table 17).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Somewhat/very reasonable	77	75	80	64
o Somewhat/very unreasonable	5	8	8	19

Nova Scotia Power Payment Centre

Customers in the Eastern Zone are more likely to have visited a Nova Scotia Power payment centre recently, while Halifax Zone customers are least likely to have done so recently. As well, Halifax Zone respondents are less likely to have ever visited a payment centre (Table 18).

Last Visit to NSPC Payment Centre

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Within last week	6	11	10	2
o 2 - 4 weeks ago	26	31	25	14
o 1 - 3 months ago	11	17	15	11
o 4 - 6 months ago	5	3	4	3
o More than 6 months ago	19	11	16	23
o Never	33	27	30	48

The expectations regarding how long a customer should wait to be served at a Nova Scotia Power payment centre is similar by zone. Clearly, for every zone, five minutes is the time expected for the provision of service (Table 20).

Expectations Met

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Immediately	100	100	100	100
o One minute	98	98	97	97
o Two minutes	95	95	96	94
o Three minutes	86	87	87	86
o Four minutes	77	78	77	78
o Five minutes	75	77	76	76
o Six minutes or more	29	32	27	29

As the following clearly indicates, Halifax Zone respondents are much more likely to think that the payment centre should be open from Mondays to Saturdays. A full six in ten (61%) respondents in the Halifax Zone expect the payment centres to be open Mondays to Saturdays. This may be due to the higher expectations for service in the Halifax Zone (Table 21).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Mondays to Fridays	74	68	72	40
o Mondays to Saturdays	26	32	28	61

Eastern Zone respondents are significantly more likely than those in the remaining zones to think that the payment centres should open at 9:00 am, rather than at 8:00 am (Table 22).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o 8:00 am	34	13	31	32
o 9:00 am	60	83	64	62
o 10:00 am	5	5	5	6

While Halifax Zone customers are less likely to think the payment centres should close at 5:00 pm, they are more likely to think it should be 6:00 pm or later (Table 22).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o 4:00 pm	6	6	8	4
o 5:00 pm	74	81	73	53
o 6:00 pm	19	10	16	36
o 7:00 pm or later	2	3	2	9

Most notably, Western Zone customers are more likely than those in the remaining zones to feel the payment centre should have information bulletin boards (Table 23).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Energy Efficiency Information	28	40	59	43
o Energy usage and efficiency information	14	16	16	17
o Information bulletin boards	23	2	5	8

The Budget Billing Plan

Fewer than one in ten customers in any zone presently use the Budget Billing Plan. These results are essentially unchanged from 1988 (Table 24).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Use Budget Billing Plan	6	9	6	9

Customers in the Eastern Zone appear to be the most satisfied with the Budget Billing Plan, whereas Western Zone respondents appear to be somewhat less satisfied with the plan (Table 25).

The level of satisfaction with the Budget Billing Plan has declined in every zone except in the Halifax Zone.

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
	Somewhat/Very Satisfied With Budget Billing Plan			
o 1988	65	97	90	65
o 1989	54	86	61	72

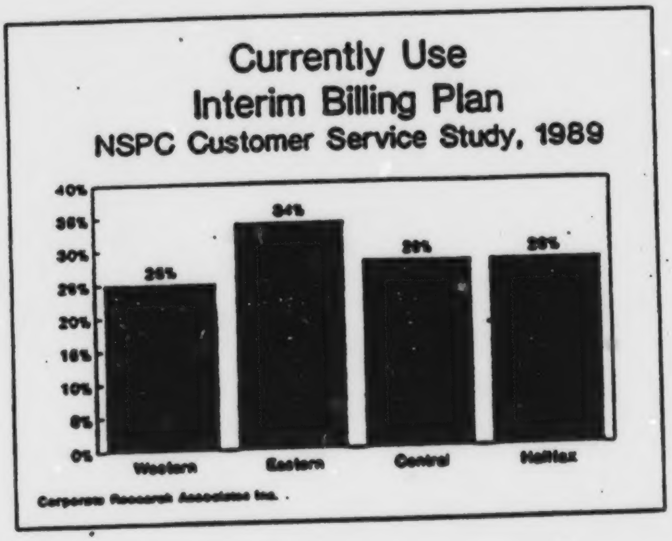
Customers in all zones appear to be equally satisfied with both the ease of understanding the billing charges, and the amount of detail on the bills. The sample size of Budget Billing Plan subscribers is such that differences are not statistically significant (Table 26A-26B).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
	Somewhat/Very Satisfied			
o Amount of detail on bill	73	76	81	82
o Ease of understanding charges	76	80	75	82

Customers in both the Eastern (40%) and Central Zones (31%) are more likely to think customers should be made aware of the Budget Billing Plan (Table 27).

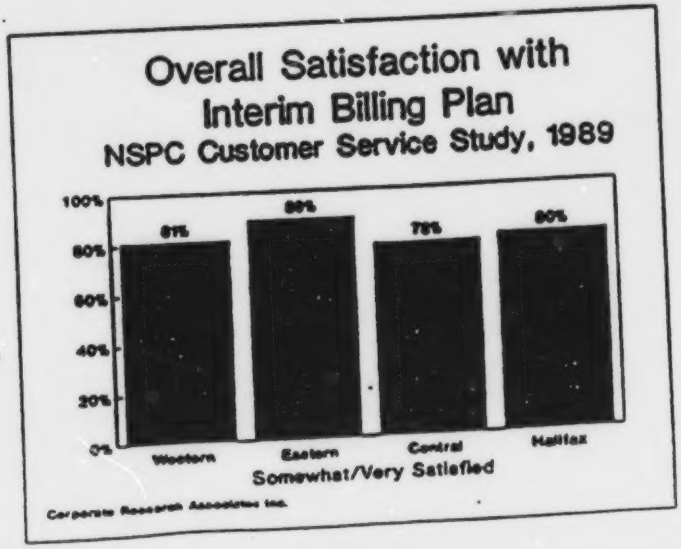
The Interim Billing Plan

From the study results, customers in the Eastern Zone are more likely than those in the remaining zones to be presently using the Interim Billing Plan. One in three (34%) Eastern Zone respondents stated they use the Interim Billing Plan (Table 28).



Corporate Research Associates Inc.

It would appear that Eastern Zone customers are likely to be marginally more satisfied with the Interim Billing Plan than customers in the other zones. Nevertheless, the vast majority in all zones indicated that they are at least somewhat satisfied (Table 29).



Corporate Research Associates Inc.

CRA

The majority of respondents in all zones except the Halifax Zone had no recommendations to give in terms of improving the Interim Billing Plan (Table 30).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o No recommendations	73	75	67	49
o Ability to average billing period	7	9	12	18
o Review late payment charge policy	9	4	2	13
o Make it easier on low income	2	6	5	5

New Billing Initiatives

From the responses of customers, it would seem that a new billing plan similar to the present Budget Billing Plan would have the lowest appeal in the Central Zone (Table 31).

New Billing Plan

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Somewhat/very likely	44	52	39	47
o Somewhat/very unlikely	48	36	49	44

Only a minority of customers in any of the zones would likely make use of a preauthorized payment plan for their power bills. Such a plan would likely be least used in the Western Zone (Table 32).

Pre-authorized Payment Plan

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Somewhat/very likely	17	29	22	26
o Somewhat/very unlikely	78	62	71	69

Clearly, for the majority in all zones, the equalized monthly payment option would be most preferred, rather than the bi-monthly payment option (Table 33).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Bi-monthly bill	35	33	41	27
o Equalized monthly bill	66	67	59	73

Most Recent Employee Contact

It is interesting to note that customers in the Eastern Zone are likely to have had the most recent contact with any Nova Scotia Power employee. Nearly four in ten (38%) Eastern Zone respondents stated that they have had contact within the past month.

On the other hand, only 19% of Halifax Zone respondents indicated having had contact with Nova Scotia Power employee within the past month (Table 34).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
Within the last week	7	13	9	5
Between 2 and 4 weeks ago	24	25	22	14
Between 1 and 3 months ago	17	20	20	16
Between 4 and 6 months ago	7	8	5	9
More than 6 months ago	46	35	43	56

Eastern Zone customers' last contact with a Nova Scotia Power employee is more likely to have been for a bill payment or billing inquiry. Customers in the Halifax Zone are more likely than those in the remaining zones to have contacted a Nova Scotia Power employee regarding a service connection or disconnection (Table 35).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
Bill payment/inquiry	38	46	38	25
Service connection/ disconnection	17	12	18	25
Service disruption/ failure	10	10	12	6
Meter reading	9	5	6	10

As in 1988, Halifax Zone customers are the least likely to have been satisfied with their last contact with a Nova Scotia Power employee. Generally speaking, the results remain unchanged from 1988 (Table 36).

Somewhat/Very Satisfied
Last Contact with NSPC Employee

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o 1988	81	89	83	74
o 1989	83	86	81	74

Interestingly, respondents from the Central and Halifax Zones are more likely to have a greater expectation for the time required for calls to the NSPC business office. Nonetheless, a drop off in satisfaction would be realized in each zone if a call to the business office were not answered in two rings (Table 37).

Expectations Met

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o 6 or less seconds	100	100	100	100
o 7 - 12 seconds	85	89	85	84
o 13 - 18 seconds	70	71	66	62
o 19 - 24 seconds	60	56	45	44
o 25 - 30 seconds	49	49	34	36
o More than 30 seconds	25	22	16	13

Electrical Service Connection/Disconnection

As the following illustrates, few respondents in any of the zones had required service connection or disconnection service within the past three months (Table 38).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Within past three months	7	9	9	13
o Between 4-6 months ago	4	5	5	3
o More than six months ago	90	87	87	84

It appears that, while most customers in all zones are highly satisfied with the aspects surrounding service connections and disconnections, the level of satisfaction with the ease of arranging connection or disconnection service has deteriorated in both the Central and Halifax Zones (Table 39A-39D).

1989(1988)
Somewhat/Very Satisfied

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Ability to reach the right employee to request a service connection or disconnection	84	86	77	83
o Time it took to complete service connection/ disconnection once the request was made	82	80	79	79
o Overall manner in which the service connection/ disconnection was handled	81	85	81	77
o Ease of arranging service connection or disconnections	84	80	73(83)	75(82)

Service Connection Expectations

In terms of the expectations for the connection of service to a new home, the customers in all the zones have generally similar expectations (Table 40).

	Expectations Met			
	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o One or less	100	100	100	100
o Two days	96	96	97	97
o Three days	72	76	75	70
o Four - five days	53	50	54	47
o Six - seven days	24	25	22	22
o Eight - ten days	11	12	6	12
o More than ten days	5	3	1	3

Customers in the Halifax Zone are likely to have higher expectations regarding the lead time required to reconnect service to a home that had been previously connected (Table 41). Regardless, the results indicate that the provision of service to a previously connected home in three days would only meet the expectations of no more than four in ten customers in any of the zones.

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o One day or less	100	100	100	100
o Two days	75	72	75	65
o Three days	39	38	36	29
o Four - five days	22	20	19	14
o Six - seven days	8	8	6	4
o More than 7 days	2	3	0	0

Home Heating Information

As in 1988, residents in the Western and Central Zones are more likely than those in the remaining two zones to have wood as their primary home heating source. Oil and electricity would appear to be more popular for Halifax Zone customers (Table 42).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Oil	49	58	53	64
o Electricity	21	23	21	29
o Wood	28	11	23	4

Halifax Zone customers are the most likely to have no other source of heat beyond their primary heat source, and least likely to have oil as a secondary heat source (Table 43).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Wood	33	24	30	20
o Electricity	20	16	17	16
o Oil	14	10	16	5
o No other heat source	30	41	33	57

For the majority of customers in each of the zones that have wood as either their primary or secondary heat source, their consumption of wood in the past two years has remained the same (Table 44). Those in the Western Zone are marginally more likely to say that their wood consumption has decreased in the past two years. Halifax Zone respondents are more likely than those in the remaining zones to have increased their wood consumption by one cord, but less likely to have increased their consumption by any more.

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Increased four or more cords	4	4	3	0
o Increased two or three cords	4	7	6	3
o Increased by one cord	8	7	6	14
o Remained the same	66	68	72	70
o Decreased by one cord	11	5	6	8
o Decreased by two or three cords	6	5	4	2
o Decreased four or more cords	1	3	4	3

Customers in the Western Zone are less likely to choose oil as their primary heating source if they were purchasing a home, but along with Central Zone customers more likely to select wood as their primary heat source (Table 45).

As well, the results show that the preference for electricity has declined in every zone, with oil increasing as a preferred heating source in the Western Zone.

	1989(1988)			
	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Oil	35(27)	46	42	47
o Electricity	37(44)	37(45)	33(44)	38(50)
o Wood	21	9	18	6
o Other	7	9	7	10

In terms of the preferred water heating system, electricity is most preferred by respondents in all zones, except in the Halifax Zone where oil and electricity are equally preferred (Table 46).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Electricity	58	52	51	46
o Oil	28	36	37	45
o Wood	6	1	5	1

Service Information

As in 1988, Eastern Zone customers are most likely to believe Nova Scotia Power keeps them informed of the services offered. Two in three Eastern Zone respondents feel they are kept informed of the particular services offered by the Company (Table 47).

The belief that customers are kept informed of the services offered has declined marginally in the Central Zone.

Informed of Services Offered 1989(1988)

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Somewhat/strongly agree	64	67	62(67)	62
o Somewhat/strongly disagree	12	14	12	13

There is little difference in terms of the main sources of information regarding Nova Scotia Power. At least seven in ten in each zone use bill inserts to find out about Nova Scotia Power (Table 48).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Bill inserts	74	73	70	73
o Newspaper	11	15	17	15
o Television	10	9	9	9

In general, the readership patterns of customers of newspaper advertisements from Nova Scotia Power is similar in each zone, although the evidence suggests that Eastern and Central Zone customers are somewhat more likely to have read an advertisement within the past six months (Table 49).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Less than one month ago	18	21	19	16
o One - six months ago	21	27	28	26
o More than six months ago	26	23	22	27
o Never	34	29	31	31

Current News Bill Inserts

The frequency with which customers read the Current News is virtually identical by zone. More than four in ten in every zone would say they always read the Current News bill inserts (Table 50).

Current News Bill Insert Readership

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Always	44	45	45	42
o Occasionally	39	39	39	41
o Seldom	13	11	12	12
o Never	4	5	3	4

In terms of the amount of each bill insert read, the only difference is that Eastern Zone customers are marginally more likely to read the entire insert (Table 51).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Entire insert	32	36	30	28
o Most of the insert	38	35	39	38
o Half of the insert	10	7	9	10
o Less than half of the insert	4	3	4	4
o Skim through	16	19	18	20

Interestingly, Eastern Zone respondents are slightly more likely to hold a good or excellent evaluation of the Current News bill inserts. In addition, Central Zone customers are likely to have a less favourable rating of the Current News bill inserts in 1989, than they did in 1988. On the other hand, Halifax Zone customers' evaluation of the bill insert has improved in the past year (Table 52).

	1989(1988)			
	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Excellent/Good	56	61	53(60)	58(53)
o Fair/Poor	5	8	9	11

Those in the Western Zone are more likely than those in the remaining zones to desire information regarding the rates charged by Nova Scotia Power. Customers in the Eastern Zone are more likely to prefer the bill inserts deal with appliance usage or the efficient use of electrical power. Even so, the greatest number in every zone want to see information pertaining to appliance usage and the efficient use of electricity (Table 53).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Efficient electrical power usage	36	52	41	39
o Electrical rates	30	15	22	18
o Information regarding Nova Scotia Power	13	7	9	16
o Environmental issues	4	4	8	9

Since 1988, the rating of the availability of electrical and safety information has remained unchanged in both the Western and Eastern Zones, with an improvement in the Halifax Zone, and a deterioration in the Central Zone (Table 56).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Somewhat/very satisfied	42	51	42(48)	44(37)
o Somewhat/very dissatisfied	17	20	19(15)	23

Well over eight in ten customers in every zone feel it is appropriate to spend money to educate children on electricity and electrical safety. There is evidence that customers are more likely now than in 1988 to feel such an initiative would be appropriate (Table 57).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Somewhat/very appropriate	84(80)	90	88(84)	86(82)
o Somewhat/very inappropriate	6	3	5	7

Promotional Activities

Eastern Zone customers appear to be more supportive of the various initiatives proposed by the Company, and also the zone that has shown the greatest increase in support since 1988 in several areas. There is greater agreement in the Halifax Zone since 1988 that the telephone listing is easy to read (Table 58A-58E).

In the Halifax Zone, there is greater support for a directory outlining the various programs than there is for a toll-free telephone information number; unlike the remaining zones.

1989(1988)
Somewhat/Strongly Agree

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Should have a toll-free telephone information number	85	90(85)	84	74
o Should have a directory outlining all available programs	82	88(83)	78	80
o Telephone directory listing is easy to read	78	82(78)	76	74(65)
o Should use newspaper ads to promote services	41	49	39(45)	36
o Should use television ads to promote services	41	45	35	33

Generally speaking, there is equal and overwhelming agreement among the four zones that Nova Scotia Power employees should notify homeowners of any unusual activities they might notice while working near a customer's residence. This sentiment has changed very little since 1988 (Table 59).

1989(1988)

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Somewhat/strongly agree	94	94	94	90(94)
o Somewhat/strongly disagree	1	1	0	3

Customer Media Habits

With regard to television programs, the only significant difference is that Halifax Zone customers are marginally less likely than those in the remaining zones to watch news programs (Table 60). Even so, in all zones, news programs are likely to be watched most often.

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o News/current affairs	68	62	67	58
o Movies	24	23	25	28
o Situation comedies	21	20	21	24
o Sports programs	17	21	21	20
o Documentaries	17	18	16	19
o Soap or Serial Dramas	17	17	13	12

Interestingly, Halifax Zone customers are less likely than customers in the remaining zones to watch either CBC or ATV. On the other hand, they are more likely to watch NBC or PBS, and along with Western Zone customers more likely to watch MITV. This pattern may be partly due to the wider availability of cable television in the Halifax Zone area and the limited geographical reach of MITV (Table 61).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o ATV	70	75	68	54
o CBC	50	58	57	37
o ASN	23	20	23	19
o NBC	10	12	12	23
o MITV	14	1	5	17
o PBS	6	7	7	15
o CBS	6	9	7	8

As expected, the readership patterns of the various newspapers differ among the zones. For example, Halifax Zone respondents are more likely to read the Globe and Mail and the Chronicle-Herald/The Mail Star, while Eastern Zone customers are least likely to read the Chronicle-Herald/The Mail Star. The Daily News is most widely read by Central and Halifax Zone customers, while Eastern Zone customers are most likely to read The Cape Breton Post (Table 62).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o The Chronicle-Herald/ The Mail Star	73	41	71	86
o The Daily News	7	5	34	30
o The Cape Breton Post	0	77	0	1
o The Globe and Mail	3	5	5	14

The Reliability of Electrical Service

The results show that Western Zone customers are more likely to have experienced a greater number of power outages in the past year. Halifax Zone customers along with Eastern Zone customers are likely to have experienced three outages or fewer (Table 63).

1989(1988)
Number of Power Outages

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o None	9	14	11(5)	10(2)
o One	8	20	13	19(14)
o Two	23	23	26	30
o Three	20	13(19)	18(23)	14(19)
o Four	11	10	11	8
o Five-Six	16	10	14	10
o Seven or more	11	9	9	10

All zones, with the exception of the Eastern Zone are more likely than in 1988 to perceive that the number of power outages are now more reasonable (Table 64). The most dramatic improvement can be seen in the Halifax Zone. Where there has been a 13 percentage point increase in those who feel the number of outages is reasponable.

1989(1988)

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Somewhat/very reasonable	74(69)	77	78(72)	79(66)
o Somewhat/very unreasonable	14	12	13	9(19)

Interestingly enough, customers in the Eastern Zone appear to have the highest expectations regarding the length of time they expect for the restoration of electrical service. For Eastern Zone customers, a two hour time for restoration of service would likely meet the expectations of only six in ten customers (Table 65).

	Expectations Met			
	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Immediately	100	100	100	100
o One hour	87	83	86	90
o Two hours	68	62	69	68
o Three hours	45	41	48	49
o Four to six hours	34	32	38	39
o Seven to twelve hours	13	15	18	19
o More than 12 hours	8	8	8	12

The great majority of customers in all the zones are likely to be unwilling to pay anything to achieve a 25% reduction in the number of power outages they experience. In all zones except in the Halifax Zone, customers are less likely than in 1988 to be unwilling to pay anything for a 25% reduction in the number of power outages (Table 66).

	1989(1988)			
	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Not willing to pay	66(72)	65(73)	70(78)	70
o $1	8	5	7	7
o $2	8	9	7	9
o $3	1	2	1	2
o $5	11	11	9	7
o More than $5	8	7	6	5

A minority of respondents in every zone would be unwilling to accept any reduction in the cost of electricity in exchange for a 25% increase in the number of power outages. The majority would be prepared to achieve a reduction of between $9 and $50 for a 25% increase in the number of power outages (Table 67).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Not willing to pay	27	21	25	22
o $1 - $8	8	6	7	8
o $9 - $15	22	20	16	17
o $16 - $25	23	28	26	28
o $26 - $50	17	22	23	19
o More than $50	3	4	4	1

Customers in the Western Zone are more likely than customers in the other zones to reasonably expect a power outage to occur more frequently. On the other hand, Eastern Zone customers are likely to expect outages to occur less often (Table 68).

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Once a month	5	4	3	1
o Once every 3 months	21	14	16	17
o Once every 6 months	35	26	35	37
o Once a year	26	35	30	28
o Once every two years or less	8	10	8	8
o Never	6	11	7	9

Recommendations to Improve Quality of Service

Across all zones, the greatest number of respondents stated that the present service is fine (Table 69).

There has been an increase in the number of customers in both the Eastern and Central Zones since 1988 who would recommend that the rates be lowered. In contrast, those in the Halifax Zone are now less likely than in 1988 to request a lowering of the power rates.

All zones have witnessed a drop in those who believe that Nova Scotia Power should advertise and develop their services. As the following illustrates, other changes in the zones are apparent.

1989(1988)

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
o Service is fine	27	29	28(36)	29(22)
o Practise preventative maintenance	16	14	16(22)	6
o More efficient manpower	8	10	9	14(8)
o Lower power rates	11	14	4(10)	10(17)
o Advertise and develop services	5(14)	2(15)	3(14)	4(9)

Customer Profile

Not unexpectedly, customers from the Halifax Zone are more likely to have a higher level of education, and household income. In addition, Halifax Zone residents are less likely to own their own homes, and less likely than those in the other zones to pay for their heat or hot water (Tables 70-74, 75A-75B).

Customer Profile

	Western Zone %	Eastern Zone %	Central Zone %	Halifax Zone %
Gender				
o Male	46	53	55	54
o Female	54	48	45	46
Age				
o 45 years or older	57	55	57	53
Education				
o High school or less	60	64	65	50
o Some college/university	5	7	8	11
o College/university complete	22	19	18	31
Household Income				
o Less than $25,000	45	48	43	28
o $25,000 - $49,999	39	40	40	46
o $50,000 or more	16	12	17	26
Residence				
o Own	90	89	93	71
o Rent	10	11	7	29
Pay Own				
o Heat	96	97	96	85
o Hot water	94	95	97	84

APPENDIX B
GOODS AND SERVICES AVAILABLE IN NOVA SCOTIA

NSCEA

SUMMARY CHART

MEMBER FIRM	AGRICULTURAL ENGINEERING	ELECTRICAL ENGINEERING	ELECTRONICS	ENERGY GENERATION, CONSERVATION	ENVIRONMENTAL	GEOTECHNICAL	INDUSTRIAL PLANTS	MATERIALS TESTING	MANAGEMENT SERVICES	MARINE ENGINEERING	MECHANICAL ENGINEERING	MINING ENGINEERING	MUNICIPAL ENGINEERING & URBAN DEVELOPMENT	STRUCTURAL	TRANSPORTATION INFRASTRUCTURE	TRANSPORTATION SYSTEMS	PROFILE PAGE INCLUDED
Acres International Limited				●	●		●		●	●	●	●	●	●	●	●	●
Alderney Consultants Limited					●				●	●			●		●	●	●
E.C. Baker Engineering Ltd.		●															
Beazy Nicoll Engineering Limited					●		●		●	●			●	●	●	●	●
George Brandys and Associates Limited										●				●			●
C.A. Campbell Consultants Limited		●	●		●		●		●	●	●		●	●	●		●
W.G. Campbell Engineering Limited									●					●			●
Canadian Fishery Consultants Limited				●	●		●		●	●	●		●		●		●
CBCL Limited		●	●	●	●		●		●	●	●		●	●	●	●	●
J.W. Cowie Engineering Limited								●	●					●			●
B.B. Dorey Engineering Limited																	
Dumac Energy Limited		●		●			●		●		●						●
Enerplan Consultants (N.S.) Ltd.				●							●						●
Fenco Shawinigan Engineering (1985) Ltd.		●		●	●		●		●	●	●	●	●	●	●	●	●
Geotechnology Ltd.						●											●
Hiltz and Seamone Co. Limited		●			●				●				●				
W.R. Horner and Associates Limited					●		●		●		●		●	●	●		●
Interprovincial Engineering Limited					●				●				●		●		●
Jacques, Whitford and Associates Limited	●				●	●		●		●		●		●			●
J.D. Kappermans Engineering Limited				●	●		●		●	●	●			●			
C.J. MacLellan and Associates Limited		●		●	●			●	●	●	●		●	●	●		●
Mallett and Associates Engr Ltd.				●			●		●	●				●	●		●
B.T. Mathesen Engineering Limited																	
McDonnell Engineering Co. Limited						●		●						●			●
Monenco Maritimes Limited		●	●	●	●	●	●		●	●	●	●	●	●	●		
Neill and Gunter (Nova Scotia) Limited		●	●	●			●		●	●	●		●	●	●		●
Nolan, Davis and Associates Limited					●	●		●		●		●					●
O'Halloran, Campbell Consultants Limited					●		●		●	●			●	●	●	●	●
F.C. O'Neill, Scriven and Associates Ltd		●	●	●	●						●						●
Porter Dillon Limited			●	●	●		●		●		●		●	●	●	●	●
Project Consultants Limited					●				●				●		●		●
W. Roberts Engineering Limited														●			●
A.H. Roy and Associates Limited																	
N.L. Sobey and Associates Limited					●		●		●					●	●	●	
Sandwell Swan Wooster Inc		●		●			●		●	●	●	●	●	●	●	●	●
UMA Engineering Limited	●			●	●		●		●	●		●	●	●	●	●	●
J. Phillip Vaughan Engineering Associates Ltd					●				●	●			●	●	●	●	●
Whitman, Benn and Associates Limited		●	●	●	●		●		●	●	●		●	●	●		●
Mac Williams Engineering Limited									●				●	●			●

APPENDIX C

GOODS AND SERVICES AVAILABLE IN NOVA SCOTIA

Equipment	Typically Manufactured in Nova Scotia	Potentially Manufactured in Nova Scotia
Fabricated Metal Components	X	
Steel Tanks	X	
Fibreglass Tanks	X	
Pipe Spools		X
Anchor Bolts, Embedded Parts	X	
Fan Shaft Forgings		X
Air/Gas Ductwork	X	
Gas Manifolds		X
Fan Casings		X
Buckstays		X
Transmitters, Hoppers & Pressure Vessels	X	
Scraper Conveyors	X	
FRP Piping	X	
Air Dryers & Filters	X	
Prestressed Concrete Piping		X
Deaerator		X
Conditioners	X	
Rotary Feed Drives	X	
Cathodic Protection	X	
Site Fencing	X	
Gravel, Paving, Excavation	X	
Foundation Work	X	
Structural & Miscellaneous Steel	X	
Bunkers	X	
Stack/Stack Liner	X	
Protective Coatings & Paints	X	
600 V Indoor Unit Substation	X	
Conveyor Idlers	X	
Burner Automation System	X	
Blowdown Tanks	X	
Strainers	X	
Control Desk		X
Burner Front Valves	X	
Shut-Off Ball Valves	X	
Main Electrical Works	X	
Control Interface Modules & Connecting Cables	X	
Roofing Systems	X	
Sumps Pumps	X	
Silos	X	
Air/Gas Dampers		X
PLC Control Panels	X	
Oil Burners & Ignitors		X
Prefab Conveyors		X
Coal Trippers and Chutes		X
Steam Coil Air Heaters		X
Heat Pipe and Turbular Air Heaters		X
Condenser		X
Circulating Water Screens		X
Overhead Cranes		X

APPENDIX IV -
National Sea Products Limited

Wednesday, May 9, 1990
9:30 a.m. to 11:30 a.m.

Location: Legislative Chamber
Province House

Attendance:

Dr. William Gillis, M.L.A., Chairman
Hon. Ronald Giffin, Q.C.
Hon. Donald McInnes
Vincent J. MacLean, M.L.A.
Ross Bragg, M.L.A.
Alexa McDonough, M.L.A.

Substitutions:

Hon. Guy LeBlanc -FOR- Hon. George Archibald
Marie Dechman, M.L.A. -FOR- Hon. David Nantes
Leroy Legere, M.L.A. -FOR- Hon. Brian Young

Committee Secretary:

Dianne M. Stillman

Witnesses:

Representing National Sea Products Limited:

Mr. Murray Coolican
Vice-President, Intergovernmental Affairs

Mr. K. L. (Kelly) Nelson
Controller

COMMITTEE BUSINESS

The Chairman called the meeting to order and invited the witnesses to make opening remarks. In his statement, Mr. Coolican told the Committee of the ways in which National Sea Products would like to see the current fishing crisis solved.

NATIONAL SEA PRODUCTS LIMITED

1959 Upper Water Street, P.O. Box 2130, Halifax, N.S. Canada B3J 3B7
Tel: (902) 422-9381 Fax: 902-420-1532 Telex: 019-22532

June 29, 1990

Dr. William Gillis, MLA
Chairman, Public Accounts Committee
Nova Scotia Legislature
1740 Granville Street
Halifax, NS
B3J 1X5

Dear Dr. Gillis:

This letter is in response to questions raised by members of the Nova Scotia Legislature's Public Accounts Committee, Wednesday, May 9, 1990, concerning certain aspects of National Sea Products (NSP) operations in Atlantic Canada. I trust you will find the information provided useful to the deliberations of the Committee.

The Company's quota allocations in 1989, by species and, their subsequent utilization is described on Table One.

I wish to re-emphasize with the Committee members that NSP's quota allocations have been reduced by 159 million pounds of fish since 1984. Much of this reduction has been in haddock and cod, our two most valuable species. Overall, Atlantic Canadian quotas have been reduced by more than 630 million pounds or 27 percent during the same period.

You will note, that low catch rates and small fish resulted in less than full utilization of the Company's allocation of redfish in 1989. Utilization levels of redfish vary from year to year and from fishing zone to fishing zone. Catch rates have been inconsistent year over year and uncertainty in the marketplace, because of low prices, have affected the economics of this fishery. Incidentally, there have been no requests from the inshore sector (who have not fully utilized their quota of redfish) for transfers of NSP's quota of redfish.

During our appearance before the Committee, a number of members had questions about NSP's factory freezer trawler, the Cape North. Its overall catch rates and percentage of total catch, by species, in 1988 and 1989 (all within the terms of the Cape North's license) are found on Tables Two and Three, respectively.

.../2

Overall catch rates of redfish declined in 1989 and this accounts for the 10 percent variance in total landings of redfish on the Cape North between 1988 and 1989. The Cape North's total landings were reduced by 16 percent from 1988 to 1989, consistent with the Company's overall quota reductions during the same period.

Despite the declining catch rate of redfish over the past 12 months, Japan remains a very strong market for this species. However, the challenge is to get redfish to that market the way the Japanese like it, with its bright red colour intact. If it's second rate product, they tend to be uninterested at any price. By far, the highest quality redfish we produce in Atlantic Canada comes from our factory freezer trawler, the Cape North.

Table Four provides a comparison of the Company's shipments of unprocessed fish from Nova Scotia to the U.S. market in the first quarters of 1989 and 1990. As mentioned during our presentation to the Committee, NSP's reduction in shipments of unprocessed fish, quarter over quarter, is close to 70 percent!

The reduction of NSP's shipments of unprocessed fish from Nova Scotia is a direct result of a commitment we made to our employees. We will only ship unprocessed fish when there is a glut in our primary processing plants and we are unable to handle the volumes of fish available for processing.

During our Company's recent appearances before the Resources Committee and Public Accounts Committee, questions were raised about the number of senior executives at National Sea Products and their remuneration. For your interest, I have enclosed the Company's 1989 Annual Review. The Company's corporate directory can be found on the inside back cover of that publication. As Mr. Demone and Mr. Coolican made clear to both Committees, senior management ranks did not go unscathed during the restructuring of the Company's operations in 1989.

At present, the Company has 24 officers and senior management personnel, which is not an extraordinary number when one takes into consideration the breadth of the Company's operations in Canada, the United States and Internationally, not to mention NSP interests in subsidiary and affiliated companies. Annual remuneration of executive officers and directors can be found in the notice of annual and special general meetings of shareholders (enclosed).

.../3

Finally, NSP has great respect for federal fishery regulations and expects all of its employees to strictly adhere to those regulations. During the past five years, NSP has had only four prosecutions under Federal fishery regulations for by-catch and incidental catch violations.

I trust you will find this information is what the Company agreed to provide during its appearance before the Committee. If you should have any questions in this regard, please do not hesitate to contact me at any time.

Yours truly,

R.A. McCulloch
Executive Vice President
- Finance & Administration

TABLE ONE

NATIONAL SEA PRODUCTS LIMITED
QUOTA ALLOCATION BY SPECIES - 1989
(000 lbs)

Species	Original Allocation	Fully Utilized	General Comment
Cod	127,100	Yes	
Haddock	20,751	Yes	
Redfish	107,540	No	Low catch rates, Small fish
Flats	22,990	No	Low catch rates
Pollock	41,473	Yes	
Other	20,151	No	Low catch rates
TOTAL	340,005		

TABLE TWO

NATIONAL SEA PRODUCTS LIMITED
CAPE NORTH LANDINGS - 1988
(metric tonnes)

Species	Landed
Cod	3674
Redfish	3387
Flats	10
Pollock	2193
Other	7
TOTAL	9271

TABLE THREE

NATIONAL SEA PRODUCTS LIMITED
CAPE NORTH LANDINGS - 1989
(metric tonnes)

Species	Landed
Cod	3470
Redfish	2108
Flats	319
Pollock	1763
Other	97
TOTAL	7757

TABLE FOUR

NATIONAL SEA PRODUCTS LIMITED
SHIPMENTS OF UNPROCESSED FISH
(NOVA SCOTIA TO THE U.S. MARKET)
(000 lbs.)

1989 (First Quarter)	1990 (First Quarter)
4,897,000	1,459,000

Approximate percentage decrease - 70%

APPENDIX V -
Halifax-Dartmouth Bridge Commission

Wednesday, May 16, 1990
9:30 a.m. to 11:30 a.m.

Location: Legislative Chamber
Province House

Attendance: Dr. William Gillis, M.L.A., Chairman
Hon. Ronald Giffin, Q.C.
Hon. G. David Nantes
Vincent J. MacLean, M.L.A.
Ross Bragg, M.L.A.
Alexa McDonough, M.L.A.

Substitutions:

Hon. J. A. MacIsaac -FOR- Hon. Donald McInnes
Al Mosher, M.L.A. -FOR- Hon. George Archibald

Absent:

Hon. Brian Young

Committee Secretary:

Dianne M. Stillman

Witnesses: Representing Halifax-Dartmouth Bridge Commission:

Mr. Reg Prest, Chairman
Mr. James Shea, Secretary
Mr. Basil Gordon, General Manager & C.E.O.
Mr. Ken Munro, Treasurer and General Manager
(A. Murray MacKay Bridge)

COMMITTEE BUSINESS

The Chairman called the meeting to order and invited the witnesses to make opening remarks. In his statement, Mr. Prest explained to the Committee, the ways in which the Bridge Commission considered 1989 to be a very successful year.

P.U.B. SUBMISSION

① TOLL INCREASE - $\$1^{00}$ CASH .50 TOKEN

② PROVIDES FUNDS FOR FUTURE

③ PAY OFF DEBT IN 18 YEARS

4

Halifax Dartmouth Bridge Commission
Financial Data With Token Discount

REVENUE

Class 1 Traffic Data 1988 29,088,551 vehicles @ .25	$7,272,137
With no growth in 1989 we will maintain the following: 29,088,551 vehicles @ .25	$7,272,137
By increasing the toll on Oct.1/89 to 1.00 cash & .50 token the following revenue may be generated:	
21,816,413 vehicles @ .25	5,454,103
6,544,924 vehicles @ .50	3,272,462
727,214 vehicles @ 1.00	727,214
Total Toll Revenue	$9,453,779

Projecting a continuing growth of 1.0 % per year the following vehicles and revenue for Class 1 can be projected for the next 20 years.

Cash Fare	Token Fare	Year	Vehicles	Cash Revenue	Token Revenue	Total Revenue
1.00	0.50	1990	[illegible]	[illegible]	[illegible]	[illegible]
1.00	0.50	1991	29,673,231	2,967,323	13,352,954	16,320,277
1.00	0.50	1992	29,969,963	2,996,996	13,486,483	16,483,480
1.00	0.50	1993	30,269,663	3,026,966	13,621,348	16,648,315
1.00	0.50	1994	30,572,359	3,057,236	13,757,562	16,814,798
1.00	0.50	1995	30,878,083	3,087,808	13,895,137	16,982,946
1.00	0.50	1996	31,186,864	3,118,686	14,034,089	17,152,775
1.00	0.50	1997	31,498,733	3,149,873	14,174,430	17,324,303
1.00	0.50	1998	31,813,720	3,181,372	14,316,174	17,497,546
1.00	0.50	1999	32,131,857	3,213,186	14,459,336	17,672,521
1.00	0.50	2000	32,453,176	3,245,318	14,603,929	17,849,247
1.00	0.50	2001	32,777,707	3,277,771	14,749,968	18,027,739
1.00	0.50	2002	[illegible]	[illegible]	[illegible]	[illegible]
1.00	0.50	2003	33,436,539	3,343,654	15,046,443	18,390,097
1.00	0.50	2004	33,770,905	3,377,090	15,196,907	18,573,998
1.00	0.50	2005	34,108,614	3,410,861	15,348,876	18,759,738
1.00	0.50	2006	34,449,700	3,444,970	15,502,365	18,947,335
1.00	0.50	2007	34,794,197	3,479,420	15,657,389	19,136,808
1.00	0.50	2008	35,142,139	3,514,214	15,813,962	19,328,176
1.00	0.50	2009	35,493,560	3,549,356	15,972,102	19,521,455

For the following exercises we have assumed no change in the truck traffic or revenue beyond 1989 projections of $1,250,000. per annum.

FINANCIAL PROBLEMS AHEAD

Renewal of long term debt on July 1,1989. 122,000,000 Swiss Francs	86,156,400
Plus additional borrowings on July 1/89 3,000,000 Swiss Francs	2,118,600
	$88,275,000
Resurfacing deck of A.Murray MacKay 1989	$3,400,000
Replacing E Ramp A.Murray MacKay 1990	$4,000,000
Resurfacing approach roads AMM 1991	$6,000,000
Upgrading Angus L.Macdonald 1992 - ???? add third lane new toll plaza move sidewalk to north side resurface deck	$18,500,000

INHOUSE PROBLEMS

New toll equipment annual cost 1993 (current lease $150,000 per annum)	$300,000
Additional staff to handle vaults and daily balancing - 2 new employees	$50,000
Additional technical staff for new toll and accounting equipment - 1 new employee	$30,000
New coin equipment 3 1000 wrappers 1 counter 1 sorter	$100,000
More Class 1 tokens or develope a new token - approximately 500,000	$50,000
Additional maintenance staff as a result of upgrading ALB - 2 new employees 1993	$60,000
Additional vehicles for snow removal 1 new truck 1993	$30,000

NOTES

1.Expenses for 1990 thru 1992 increased at an average of 9% per year and at a rate of 5% per year thereafter.
2.Long term debt interest calculated at a fixed rate of 7.5% per annum.
3.Interest on investments calculated at a rate of 10% per annum.
4.It was assumed that if a token discount was offered, then our token usage would rise to 90% of our total vehicular crossings.
5.Swiss Franc vs.Canadian Dollar

1989	0.7600
1990	0.8400
1991	0.8400
1992	0.8400

Halifax Dartmouth Bridge Commission
Statement of Revenue, Expenditures & Deficit

	Actual 1988		Approved Budget 1989		Toll Increase 1989		Toll Increase 1990		Toll Increase 1991		Toll Increase 1992	
Revenue												
Toll revenue	8,580,451		8,736,000		10,803,800		17,508,700		17,678,200		17,833,500	
Portion of unredeemed tokens taken into income	(4,711)	8,575,740	5,000	8,741,000	5,000	10,808,800	7,500	17,516,200	10,000	17,688,200	10,000	17,843,500
Other rate charges		104,564		105,000		105,000		107,000		109,000		110,000
Operating revenue		8,680,304		8,846,000		10,913,800		17,623,200		17,797,200		17,953,500
Expenditures												
Operating, maintenance and administration charges	3,253,709		3,566,000		3,566,000		3,927,000		3,997,000		4,611,700	
Depreciation	130,067		175,000		195,000		190,000		185,000		180,000	
Interest long term debt	3,996,688	7,380,464	6,387,500	10,128,500	6,750,000	10,511,000	7,125,000	11,242,000	7,875,000	12,057,000	7,875,000	12,666,700
Income(loss) from operations		1,299,840		(1,282,500)		402,800		6,381,200		5,731,400		5,286,800
Investment & sundry income		142,199		100,000		280,000		468,000		720,000		788,000
Income(loss) before effect of Capital projects		1,442,039		(1,182,500)		682,800		6,849,200		6,449,400		6,074,800
CASH POSITION												
Opening balance				1,860,813		1,860,813		1,489,176		4,338,376		5,182,776
Loan proceeds				2,118,600		2,118,600		0		0		0
Debt retirement fund transfer				262,389		262,387		0		0		0
Net income				(1,182,500)		682,800		6,849,200		6,449,400		6,074,800
Depreciation				175,000		195,000		190,000		185,000		180,000
Cash available				3,320,502		5,143,798		8,538,376		10,982,776		11,437,576
Capital Projects												
Deck ###			2,400,000		2,400,000							
E Ramp ###							4,200,000					
Approach roads ###									5,800,000			
ALR Repairs											18,500,000	
Fixed asset purchases			734,622		734,622							
~~Sinking fund A~~												
Sinking fund B				3,534,622		3,654,622		4,200,000		5,800,000		18,500,000
Cash remaining				(216,120)		1,489,176		4,338,376		5,182,776		(7,062,424)
Bank loan required				250,000		0		0		0		7,500,000
Cash for investment				33,880		1,489,176		4,338,376		5,182,776		437,576

Halifax Dartmouth Bridge Commission
Financial Data

SINKING FUND A

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Opening balance	0	0	0	0	0	5,500,000	11,050,000	16,655,000	23,320,500	30,152,500	37,667,700	434,400
Transfer from general funds	0	0	0	0	5,500,000	5,000,000	4,500,000	5,000,000	4,500,000	4,500,000	4,500,000	8,000,000
Interest earned	0	0	0	0	0	550,000	1,105,000	1,665,500	2,332,000	3,015,200	3,766,700	43,400
Repayment of long term debt	0	0	0	0	0	0	0	0	0	0	45,500,000	0
Total funds available	0	0	0	0	5,500,000	11,050,000	16,655,000	23,320,500	30,152,500	37,667,700	434,400	8,477,800

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Opening balance	8,477,800	16,825,500	25,508,000	35,558,800	114,600	10,126,000	0	0	0
Transfer from general funds	7,500,000	7,000,000	7,500,000	7,000,000	10,000,000	10,000,000	0	0	0
Interest earned	847,700	1,682,500	2,550,800	3,555,800	11,400	1,012,600	0	0	0
Repayment of long term debt	0	0	0	46,000,000	0	21,000,000 138,600	0	0	0
Total funds available	16,825,500	25,508,000	35,558,800	114,600	10,126,000	0	0	0	0

SINKING FUND B

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Opening balance	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from general funds	0	0	0	0	0	0	0	0	0	0	0	0
Interest earned	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from Sink.Fund A	0	0	0	0	0	0	0	0	0	0	0	0
Total funds available	0	0	0	0	0	0	0	0	0	0	0	0

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Estimated balance 7/1	0	0	0	0	0	0	138,600	11,652,400	24,317,600
Additional loan	0	0	0	0	0	0	11,500,000	11,500,000	10,500,000
Foreign exchange adjustment	0	0	0	0	0	0	13,800	1,165,200	2,431,700
Payment from sinking fund	0	0	0	0	0	138,600	0	0	0
Estimated balance 12/31	0	0	0	0	0	138,600	11,652,400	24,317,600	37,249,300

Halifax Dartmouth Bridge Commission
Statement of Revenue,Expenditures & Deficit

	Toll Increase 2005		Toll Increase 2006		Toll Increase 2007		Toll Increase 2008		Toll Increase 2009	
Revenue										
Toll revenue	20,109,700		20,297,300		20,486,800		20,678,100		20,871,400	
Portion of unredeemed tokens taken into income	10,000	20,119,700	10,000	20,307,300	10,000	20,496,800	10,000	20,688,100	10,000	20,881,400
Other rate charges		110,000		110,000		110,000		110,000		110,000
Operating revenue		20,229,700		20,417,300		20,606,800		20,798,100		20,991,400
Expenditures										
Operating,maintenance and administration charges	8,684,600		9,118,500		9,574,400		10,052,800		10,554,900	
Depreciation	150,000		150,000		150,000		150,000		150,000	
Interest-long term debt	1,575,000	10,409,600	1,575,000	10,843,500	-0-	9,724,400	0	10,202,800	-0-	10,704,900
Income(loss) from operations		9,820,100		9,573,800		10,882,400		10,595,300		10,286,500
Investment & sundry income		492,000		506,000		581,000		566,000		518,000
Income(loss) before effect of Capital funds		10,312,100		10,079,800		11,463,400		11,161,300		10,804,500
CASH POSITION										
Opening balance		18,970		331,070		410,870		374,270		35,570
Net income		10,312,100		10,079,800		11,463,400		11,161,300		10,804,500
Depreciation		150,000		150,000		150,000		150,000		150,000
Cash available		10,481,070		10,560,870		12,024,270		11,685,570		10,990,070
Capital Projects										
Deck AMM										
E-Ramp AMM										
Approach roads AMM										
ALM Repairs										
Fixed asset purchases	150,000		150,000		150,000		150,000		150,000	
Sinking fund A	10,000,000		10,000,000							
Sinking fund B		10,150,000		10,150,000	11,500,000	11,650,000	11,500,000	11,650,000	10,500,000	10,650,000
Cash for investment		331,070		410,870		374,270		35,570		340,070

Halifax Dartmouth Bridge Commission
Statement of Revenue,Expenditures & Deficit

	Toll Increase 1999		Toll Increase 2000		Toll Increase 2001		Toll Increase 2002		Toll Increase 2003		Toll Increase 2004	
Revenue												
Toll revenue	19,022,500		19,199,200		19,377,700		19,558,000		19,740,000		19,924,000	
Portion of unredeemed tokens taken into income	10,000	19,032,500	10,000	19,209,200	10,000	19,387,700	10,000	19,568,000	10,000	19,750,000	10,000	19,934,000
Other rate charges		110,000		110,000		110,000		110,000		110,000		110,000
Operating revenue		19,142,500		19,319,200		19,497,700		19,678,000		19,860,000		20,044,000
Expenditures												
Operating,maintenance and administration charges	6,483,500		6,807,400		7,147,100		7,504,000		7,877,000		8,271,400	
Depreciation	150,000		150,000		150,000		150,000		150,000		150,000	
Interest long term debt	8,437,500	15,071,000	5,025,000	11,982,400	5,025,000	12,322,100	5,025,000	12,679,000	5,025,000	13,052,000	5,025,000	13,446,400
Income(loss) from operations		4,071,500		7,336,800		7,175,600		6,999,000		6,807,200		6,597,600
Investment & sundry income		249,000		393,000		358,000		354,000		380,000		338,000
Income(loss) before effect of Capital funds		4,320,500		7,729,800		7,533,600		7,353,000		7,187,200		6,935,600
CASH POSITION												
Opening balance		459,270		279,770		9,570		43,170		396,170		83,370
Net income		4,320,500		7,729,800		7,533,600		7,353,000		7,187,200		6,935,600
Depreciation		150,000		150,000		150,000		150,000		150,000		150,000
Cash available		4,929,770		8,159,570		7,693,170		7,546,170		7,733,370		7,168,970
Capital Projects												
Deck AMM												
& Ramp AMM												
Approach roads AMM												
ALM Repairs												
Fixed asset purchases	150,000		150,000		150,000		150,000		150,000		150,000	
Sinking fund A	4,500,000		8,000,000		7,500,000		7,000,000		7,500,000		7,000,000	
Sinking fund B		4,650,000		8,150,000		7,650,000		7,150,000		7,650,000		7,150,000
Cash for investment		279,770		9,570		43,170		396,170		83,370		18,970

Halifax Dartmouth Bridge Commission
Statement of Revenue,Expenditures & Deficit

	Toll Increase 1993		Toll Increase 1994		Toll Increase 1995		Toll Increase 1996		Toll Increase 1997		Toll Increase 1998	
Revenue												
Toll revenue	17,998,300		18,164,800		18,332,900		18,502,800		18,674,300		18,847,500	
Portion of unredeemed tokens taken into income	10,000	18,008,300	10,000	18,174,800	10,000	18,342,900	10,000	18,512,800	10,000	18,684,300	10,000	18,857,500
Other rate charges		110,000		110,000		110,000		110,000		110,000		110,000
Operating revenue		18,118,300		18,284,800		18,452,900		18,622,800		18,794,300		18,967,500
Expenditures												
Operating,maintenance and administration charges	4,841,000		5,081,600		5,335,000		5,601,200		5,881,000		6,175,100	
Depreciation	175,000		175,000		170,000		165,000		160,000		150,000	
Interest long term debt	8,437,500	13,453,500	8,437;500	13,694,100	8,437,500	13,942,500	8,437,500	14,203,700	8,437,500	14,478,500	8,437,500	14,762,600
Income(loss) from operations		4,664,800		4,590,700		4,510,400		4,419,100		4,315,800		4,204,900
Investment & sundry income		277,000		232,000		227,000		263,000		242,000		260,000
Income(loss) before effect of Capital funds		4,941,800		4,822,700		4,737,400		4,682,100		4,557,800		4,464,900
CASH POSITION												
Opening balance		437,570		24,370		22,070		429,470		276,570		494,370
Net income		4,941,800		4,822,700		4,737,400		4,682,100		4,557,800		4,464,900
Depreciation		175,000		175,000		170,000		165,000		160,000		150,000
Cash available		5,554,370		5,022,070		4,929,470		5,276,570		4,994,370		5,109,270
Capital Projects												
Deck AMM												
D-Ramp AMM												
Approach roads AMM												
ALM Repairs												
Fixed asset purchases	30,000										150,000	
Sinking fund A	5,500,000		5,000,000		4;500,000		5,000,000		4,500,000		4,500,000	
Sinking fund B		5,530,000		5,000,000		4,500,000		5,000,000		4,500,000		4,650,000
Cash for investment		24,370		22,070		429,470		276,570		494,370		459,270

Halifax Dartmouth Bridge Commission
Financial Data

LONG TERM DEBT

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Balance 7/1	88,275,000	95,000,000	105,000,000	105,000,000	112,500,000	112,500,000	112,500,000	112,500,000	112,500,000	112,500,000	112,500,000	67,000,000
Additional loan	0	0	0	7,500,000	0	0	0	0	0	0	0	
Foreign exchange adjustment	6,725,000	10,000,000	0	0	0	0	0	0	0	0	0	
Payment from sinking fund	0	0	0	0	0	0	0	0	0	0	45,500,000	
Estimated balance 12/31	95,000,000	105,000,000	105,000,000	112,500,000	112,500,000	112,500,000	112,500,000	112,500,000	112,500,000	112,500,000	67,000,000	67,000,000

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Balance 7/1	67,000,000	67,000,000	67,000,000	67,000,000	21,000,000	21,000,000	0	0	0
Additional loan	0	0	0	0	0	0	0	0	0
Foreign exchange adjustment	0	0	0	0	0	0	0	0	0
Payment-from-sinking fund	0	0	0	46,000,000	0	21,000,000	0	0	0
Estimated balance 12/31	67,000,000	67,000,000	67,000,000	21,000,000	21,000,000	0	0	0	0

Halifax Dartmouth Bridge Commission
Pro Forma Balance Sheets 1988 -2009
After giving effect to Toll Increase October 1,1989
To .50 Token and 1.00 Cash

	Actual Dec.31,1988	Dec.31,1989	Dec.31,1990	Dec.31,1991	Dec.31,1992	Dec.31,1993	Dec.31,1994	Dec.31,1995	Dec.31,1996	Dec.31,1997	Dec.31,1998	Dec.31,1999	Dec.31,2000
ASSETS													
Fixed	44,033,389	47,493,021	51,303,021	57,118,021	75,438,021	75,293,021	75,118,021	74,948,021	74,783,021	74,623,021	74,623,021	74,623,021	74,623,021
Cash	1,865,013	1,489,170	4,528,370	5,182,770	437,570	24,370	22,070	429,470	276,570	494,370	459,270	279,770	9,570
Accounts Receivable	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400
Debt Retirement Fund	343,389												
Prepaid Expences	44,890	44,890	44,890	44,890	44,890	44,890	44,890	44,890	44,890	44,890	44,890	44,890	44,890
Sinking Fund Investments A						5,500,000	11,050,000	16,655,000	23,320,500	30,152,500	37,667,700	434,400	8,477,800
Sinking Fund Investments B													
	$46,338,081	$49,059,481	$55,908,681	$62,378,081	$75,952,881	$80,894,681	$86,267,381	$92,109,781	$98,457,381	$105,347,181	$112,827,281	$75,414,481	$83,187,681
LIABILITIES													
Long Term Debt	97,051,000	95,000,000	105,000,000	105,000,000	112,500,000	112,500,000	112,500,000	112,500,000	112,500,000	112,500,000	112,500,000	67,000,000	67,000,000
Deferred Exchange Gain	1,521,945												
Accounts Payable	93,920	93,920	93,920	93,920	93,920	93,920	93,920	93,920	93,920	93,920	93,920	93,920	93,920
Unredeemed Tokens	302,183	302,183	302,183	302,183	302,183	302,183	302,183	302,183	302,183	302,183	302,183	302,183	302,183
General Deficit/Reserve	(52,630,967)	(46,336,622)	(49,487,422)	(43,018,022)	(36,943,222)	(32,001,422)	(26,628,722)	(20,786,322)	(14,438,722)	(7,548,922)	(68,822)	8,018,378	15,791,578
	$46,338,081	$49,059,481	$55,908,681	$62,378,081	$75,952,881	$80,894,681	$86,267,381	$92,109,781	$98,457,381	$105,347,181	$112,827,281	$75,414,481	$83,187,681
Analysis of Change in General Deficit													
Opening Balance		(52,630,967)	(46,336,622)	(49,487,422)	(43,018,022)	(36,943,222)	(32,001,422)	(26,628,722)	(20,786,322)	(14,438,722)	(7,548,922)	(68,822)	8,018,378
Less:Exchange Gain(Net)		12,417,345											
Income for Year		602,000	6,849,200	6,469,400	6,074,800	4,941,800	4,822,700	4,737,400	4,682,100	4,557,800	4,464,900	4,320,500	7,729,800
Interest on Sinking Fund							550,000	1,105,000	1,665,500	2,332,000	3,015,200	3,766,700	43,400
		(39,611,622)	(39,487,422)	(43,018,022)	(36,943,222)	(32,001,422)	(26,628,722)	(20,786,322)	(14,438,722)	(7,548,922)	(68,822)	8,018,378	15,791,578
Add:Exchange Loss		(6,725,000)	(10,000,000)										
Closing Balance		($46,336,622)	($49,487,422)	($43,018,022)	($36,943,222)	($32,001,422)	($26,628,722)	($20,786,322)	($14,438,722)	($7,548,922)	($68,822)	$8,018,378	$15,791,578

Halifax Dartmouth Bridge Commission
Pro Forma Balance Sheets 1988 -2009
After giving effect to Toll Increase October 1,1989
To .50 Token and 1.00 Cash

	Dec.31,2001	Dec.31,2002	Dec.31,2003	Dec.31,2004	Dec.31,2005	Dec.31,2006	Dec.31,2007	Dec.31,2008	Dec.31,2009
ASSETS									
Fixed	74,623,021	74,623,021	74,623,021	74,623,021	74,623,021	74,623,021	74,623,021	74,623,021	74,623,021
Cash	43,170	396,170	83,370	18,970	331,070	410,870	374,270	35,570	340,070
Accounts Receivable	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400
Debt Retirement Fund									
Prepaid Expences	44,890	44,890	44,890	44,890	44,890	44,890	44,890	44,890	44,890
Sinking Fund Investments A	16,825,500	25,508,000	35,558,800	114,600	10,126,000				
Sinking Fund Investments B						138,600	11,652,400	24,317,600	37,249,300
	$91,568,981	$100,604,481	$110,342,481	$74,833,881	$85,157,381	$75,249,781	$86,726,981	$99,053,481	$112,289,681
LIABILITIES									
Long Term Debt	67,000,000	67,000,000	67,000,000	21,000,000	21,000,000				
Deferred Exchange Gain									
Accounts Payable	93,920	93,920	93,920	93,920	93,920	93,920	93,920	93,920	93,920
Unredeemed Tokens	302,183	302,183	302,183	302,183	302,183	302,183	302,183	302,183	302,183
General Deficit/Reserve	24,172,878	33,208,378	42,946,378	53,437,778	63,761,278	74,853,678	86,330,878	98,657,378	111,893,578
	$91,568,981	$100,604,481	$110,342,481	$74,833,881	$85,157,381	$75,249,781	$86,726,981	$99,053,481	$112,289,681
Analysis of Change in General Deficit									
Opening Balance	15,791,578	24,172,878	33,208,378	42,946,378	53,437,778	63,761,278	74,853,678	86,330,878	98,657,378
Less:Exchange Gain(Net)									
Income for Year	7,533,600	7,355,000	7,107,200	6,935,600	10,312,100	10,079,000	11,463,400	11,161,300	10,804,500
Interest on Sinking Fund	847,700	1,682,500	2,550,000	3,555,800	11,400	1,012,600	13,000	1,165,200	2,431,700
	24,172,878	33,208,378	42,946,378	53,437,778	63,761,278	74,853,678	86,330,878	98,657,378	111,893,578
Add:Exchange Loss									
Closing Balance	$24,172,878	$33,208,378	$42,946,378	$53,437,778	$63,761	$74,853,678	$86,330,878	$98,657,378	$111,893,578

APPENDIX VI -
Victoria General Hospital - and -
Path Scientific Research Limited

Wednesday, May 23, 1990
9:30 a.m. to 11:30 a.m.

Location: Legislative Chamber
Province House

Attendance:	Dr. William Gillis, M.L.A., Chairman Hon. George Archibald Hon. Ronald Giffin, Q.C. Hon. G. David Nantes Vincent J. MacLean, M.L.A. Ross Bragg, M.L.A. Alexa McDonough, M.L.A.

Substitutions:

Marie Dechman, M.L.A. -FOR- Hon. Donald McInnes

Absent:

Hon. Brian Young

Committee Secretary:

Dianne M. Stillman

Witnesses: -Representing the Victoria General Hospital:

-Mr. Wayne Patterson,
Chairman - Board of Commissioners
-Dr. Bernard Badley
Executive Director
-Mr. Andrew Boehm, Special Assistant to C.E.O.
AND former Director of Finance
-Mr. William MacLennan, Chairperson
VG Foundation

-Representing Path Scientific Research Limited:

Dr. Malcolm MacAulay, President
Dr. Ross McCurdy, Director

COMMITTEE BUSINESS

The Chairman called the meeting to order and invited the witnesses to make an opening statement. Dr. MacAulay gave the Committee a brief history of Path Scientific Research and its association with the Victoria General Hospital and the Victoria General Hospital Foundation.

[redacted]

Path Scientific Research Ltd

Diversified Chemical Analyses
Environmental Chemistry
Information Technology
Monoclonal Antibodies

(902) 424 2091
11th Floor, Sir Charles Tupper Building, University Avenue, Halifax, N.S., B3H 4H7

August 20, 1990

William Gillis, Chairman,
Committee on Public Accounts,
Nova Scotia House of Assembly

Dear Sir,

I am enclosing additional information that was requested of Path Scientific Research when Dr. R. McCurdy and I appeared at the Public Accounts Committee, along with representatives of the Victoria General Hospital.

The principal document, prepared by Deloitte and Touche, is the audited statement of PSR for the same period as the two audited statements of the partnerships Trace Organic and Rapid Chemistry, previously provided. The VGH and the VGH Foundation were partners in both. The desire for this statement is referred to in paragraph 10, page 211, and in the final paragraph on page 213, Hansard May 11, 1990.

Brief explanation of revenue and expenses is given below in order to make some of the auditors designations more explicit in relationship to the principals of the Company, PSR.

The share of income to PSR from the partnerships, in 1988 was 43,982 and for 1989 was 99,803 for a total of 143,785. This is shown on the statement of income and retained earnings, in the audit. The PSR revenue for the period was made up of 70,737 and 137,861, a total of 208,598. The balance beyond monies due for management of the partnerships came principally from fees and grants for conducting research on methods of measuring inorganic contaminations of water.

At the end of the 1989 operating year 104,917 of this revenue was retained as PSR's contribution to the working capital of the Trace Organic and Rapid Chemistry partnerships.

The disbursements,apart from the provision for income tax, comprise 74,181 and include the following major expenses:

payments to external consultants		
	Dalhousie	17,500
	Market Survey	5,569
reimbursement to Dalhousie Pathology Department		15,000
legal and accounting		4,783
travel for marketing and management		13,485
	Subtotal	56,337
payments to Directors and Principals		15,654
	Total	71,991

I have reviewed the segment of the committee session where the Minister of Health was questioning me in regard to the relevance of PSR activities to the Dalhousie University Mission. The way in which members of the Department contribute to funds used for academic development seems to be covered in general terms in the responses made by me at the time. The specifics of support in the accounts enclosed include payments of 15,000 and 17,500 from PSR to the Pathology Department at Dalhousie, this, in the main, enabled support for graduate student stipends and expenses, and the purchase of small items of scientific equipment. Dalhousie also received, during this period, an allocation of net income from the Trace Organic Partnership of 17,578, this went toward general University expenses. Thus Dalhousie received 50,078 during the period.

The work of graduate students and the principals of PSR resulted in scientific reports and other publications and opened up academic cooperation with TUNS in the area of expert systems and artificial intelligence. The latter will soon result in scientific reports.

I hope that this meets your information requirements. For any more detailed questions on the accounts, please feel free to contact Dr. R. McCurdy at 420-0203; or Deloitte and Touche, our Chartered Accountants.

Yours sincerely,

m. a. macaulay

M. A. MacAulay MD FRCP(C)

Deloitte & Touche

Deloitte & Touche
Chartered Accountants

Suite 1110
Bank of Commerce Building
1809 Barrington Street
P.O. Box 252
Halifax, Nova Scotia
B3J 2N7

Telephone: (902) 429-8440
Telecopier: (902) 423-6005

AUDITORS' REPORT

To the Shareholders of
Path Scientific Research Limited:

We have examined the balance sheet of Path Scientific Research Limited as at June 30, 1989 and the statements of income and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at June 30, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

Our previously issued Review Engagement Report dated January 29, 1990, has been withdrawn and the financial statements have been revised to record the company's investment in its partnerships on the equity basis.

Deloitte & Touche

Chartered Accountants

July 31, 1990

PATH SCIENTIFIC RESEARCH LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED JUNE 30, 1989

	1989	1988
REVENUE		
Fees	$ 7,281	$ 1,035
Grants	8,750	23,750
Interest	10,927	1,070
Research and development tax credits	11,100	900
Share of income of partnerships	99,803	43,982
	137,861	70,737
EXPENSES		
Directors' fees	-	3,500
External consulting fees	23,070	1,546
Legal and accounting	3,683	1,100
Miscellaneous	643	-
Reimbursement for management wages	15,000	-
Salaries	-	12,154
Travel and meetings	-	13,485
	42,396	31,785
INCOME BEFORE INCOME TAXES	95,465	38,952
PROVISION FOR INCOME TAXES	21,000	8,500
NET INCOME	74,465	30,452
RETAINED EARNINGS, BEGINNING OF YEAR	30,452	-
RETAINED EARNINGS, END OF YEAR	$104,917	$30,452

PATH SCIENTIFIC RESEARCH LIMITED

BALANCE SHEET

JUNE 30, 1989

ASSETS

	1989	1988
CURRENT ASSETS		
Cash and term deposits	$219,967	$ 35,147
Subscription receivable	100	100
Income taxes receivable	2,400	900
Due from related company (Note 3)	23,407	8,100
Loan to partnership	-	35,000
	245,874	79,247
INVESTMENT IN PARTNERSHIPS	143,785	43,982
	$389,659	$123,229

LIABILITIES

	1989	1988
CURRENT LIABILITIES		
Due to partnerships (Note 4)	$244,342	$ 44,027
Accounts payable	2,700	13,700
	247,042	57,727
DEFERRED INCOME TAXES	19,900	8,500
DEFERRED REVENUE	17,500	26,250
	284,442	92,477

SHAREHOLDERS' EQUITY

	1989	1988
SHARE CAPITAL		
Authorized		
5,000 common shares with a par value $1 each		
Issued		
300 shares	300	300
RETAINED EARNINGS	104,917	30,452
	105,217	30,752
	$389,659	$123,229

Approved by the Board:

.............................Director

.............................Director

PATH SCIENTIFIC RESEARCH LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED JUNE 30, 1989

	1989	1988
OPERATING ACTIVITIES		
Working capital from operations		
Net income	$ 74,465	$30,452
Deferred revenue	(8,750)	26,250
Deferred income taxes	11,400	8,500
	77,115	65,202
Changes in non-cash working capital items:		
Accounts payable	(11,000)	13,700
Income taxes receivable	(1,500)	(900)
	64,615	78,002
INVESTING ACTIVITIES		
Advances to related company	(15,307)	(8,100)
Repayment from (loan to) partnership	35,000	(35,000)
Investment in partnerships	(99,803)	(43,982)
	(80,110)	(87,082)
FINANCING ACTIVITIES		
Issue of common shares	-	200
Advances from partnerships	200,315	44,027
	200,315	44,227
NET CASH	184,820	35,147
CASH, BEGINNING OF YEAR	35,147	-
CASH, END OF YEAR	$219,967	$35,147
CASH IS COMPRISED OF:		
Cash	$ 39,967	$35,147
Term deposits	180,000	-
	$219,967	$35,147

PATH SCIENTIFIC RESEARCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1989

1. DESCRIPTION OF BUSINESS

Path Scientific Research Limited was a private company incorporated under the Nova Scotia Companies Act. In 1988 and 1989 the company was a partner in two partnerships, Trace Organic and Rapid Chemistry Analysis. In addition it provides consultations and research services in the field of chemical analysis.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP). The following policies have been selected where alternatives are available under GAAP.

Investment in partnerships

These investments are recorded on the equity basis whereby the investment is initially recorded at cost and adjusted to recognize the company's share of earnings and reduced by any withdrawal of funds.

Deferred revenue

Deferred revenue represents a research grant received during 1989. Research activities associated with the grant will be conducted over four years. The deferred portion will be amortized equally over the research period.

3. DUE FROM RELATED COMPANY

These advances bear interest at 12% per annum and have no stated terms of repayment.

4. DUE TO PARTNERSHIPS

The company acted as the operating partner in the two partnerships with which it was associated. The amount represents the net partnership funds that have been deposited in the company's account.

5. SUBSEQUENT EVENT

On June 1, 1990 Path Scientific Research Limited (Path) acquired a 100% investment in the partnerships with which it was previously associated. Path then amalgamated with another company to form Fenwick Laboratories Limited.

APPENDIX VII -
Teachers' Pension Commisson - and -
Deputy Minister of Finance

Wednesday, May 30, 1990
9:30 a.m. to 11:30 a.m.

Location: Legislative Chamber
Province House

Attendance: Dr. William Gillis, M.L.A., Chairman
Hon. George Archibald
Hon. Ronald Giffin, Q.C.
Hon. G. David Nantes
Vincent J. MacLean, M.L.A.
Ross Bragg, M.L.A.

Substitutions:

Marie Dechman, M.L.A. -FOR- Hon. Brian Young
Hon. Ronald Russell -FOR- Hon. Donald MacInnes

Absent:

Alexa McDonough, M.L.A.

Committee Secretary:

Dianne M. Stillman

Witnesses: -Representing the Teachers' Pension Commission:

-Mr. Robert Jack
Executive Director
-Mr. Bruce MacDonald
Actuary
-Mr. Terrence Gallagher
Teacher Representative

-Representing the Department of Finance:

Mr. Allan Manuel, Deputy Minister

COMMITTEE BUSINESS

The Chairman called the meeting to order and invited the witnesses to make opening remarks. In his statement, Mr. Jack gave the members some background information on the Teachers' Pension Commission.

PROVINCE OF NOVA SCOTIA
ANNUAL REPORT

INVESTMENT COMMITTEE

TEACHERS' PENSION FUND

FOR THE YEAR ENDING
MARCH 31, 1989

CONTENTS

Page

I History and Composition of the Committee 1

II Investment Philosophy 1

III Asset Mix Advisors 2

IV Investment Managers 2

V Summary of Investment Activity 3

VI Investment Objectives for Coming Year 4

Appendices

Appendix A - Investment Committee Membership
Appendix B - Terms of Reference for Equity Portfolio Managers
Appendix C - Summary of Asset Mix Recommendations
Appendix D - Statement of Fund Assets
Appendix E - Financial Statements

APPENDIX B

Terms of Reference for Equity Portfolio Managers

The Minister of Finance is custodian for the Teachers' Pension Fund (the "Fund"). Under his direction, on advice from the Pension Investment Committee, the objectives of the Fund are to provide enhanced benefits to the beneficiaries through the operation of a well-managed, high-quality investment program, to avoid unanticipated actuarial deficiencies and to reduce those actuarial deficiencies which currently exist.

Investment Policies

1. Asset mix for the Fund will be decided by the Department of Finance with the recommendations of the Pension Investment Committee.

2. Equity Portfolio Managers will be directed to invest funds in Canadian, U.S. and/or International Markets.

3. Equity Managers will remain fully invested in equities and will not normally retain a cash or cash equivalent security position in excess of 10% of the market value of the portfolio; however, it is recognized that during unfavourable market conditions, managers may request approval to direct a larger percentage of the portfolio to short-term cash equivalent securities.

4. Initial Equity Managers' allocations amounted to approximately $12 million. Future allocations will be provided from time to time. Investment income will be credited to each Manager's portfolio for reinvestment.

5. All investments made must meet the criteria established in Sections 35 through 43 of the Provincial Finance Act. Additional investment criteria may be established from time to time.

   It is recognized that most plan members are domiciled in the Province of Nova Scotia, and that societal investments bestowing benefits to citizens of the Province at large should be examined from an "opportunity" point of view with actual investments made in the Province by appointed investment managers. There is no desire that a fixed percentage of the portfolio be directed to Nova Scotia securities, nor is there a wish to impose any other provision that may restrict the Manager's discretion. Rather, the intent is to place the onus on appointed investment managers to monitor Nova Scotia investment opportunities, maintaining a watching brief and to exercise a "best efforts" conduct in seeking investments which pass normal tests of investment worthiness.

Appendix B, Cont'd.

6. All purchases and sales of securities will be made by each Manager through a securities house, with representation in Nova Scotia and credit for such purchases and sales must be allocated to the Nova Scotia representative office.

7. All transactions will be made for the account of the Minister of Finance in Trust for the Teachers' Pension Fund or such other nominee name as may be established. All deliveries of securities for settlement will be made to the Department of Finance in Halifax, and payment will be made by the Department upon receipt of the securities. The Department of Finance may appoint outside paying agents/custodians as it deems appropriate.

8. The Managers will notify the Department of Finance of all transactions respecting the portfolios within 24 hours of the day the transaction is made. The Department of Finance retains the right to reject any transaction within 24 hours of such notification.

Investment objectives, to reflect their longer term nature, should be measured over a complete market cycle using a four-year moving average. Security of and growth in principal through the "total return" concept is of paramount importance with overall emphasis on quality of investment. Liquidity is not a primary concern.

Investment Objectives

1. The total investment return should equal or exceed the Canadian Consumer Price Index, plus the actuarial investment earnings assumption, currently 4.5%.

2. The total return in Canadian equities should outperform the TSE 300 Composite Index, and be consistently above the median against competition in the Canadian pension fund universe.

3. Each manager should strive to consistently achieve first quartile ranking as measured by SEI Performance Measurement Service.

It is understood that the Managers require lead time to structure their initial portfolio allocations.

These Terms of Reference are in addition to and augment and enhance the terms of the Agreement with each manager. Any changes in investment policies and/or objectives will be conveyed to the Managers in writing. In accordance with the Agreement respecting quarterly reports, it is expected that opportunity will be given to the Pension Investment Committee to meet with each manager to discuss each report on dates convenient to both the manager and the Committee, and at other times that each may request.

APPENDIX C

Summary of Asset Mix Recommendations, April 1, 1988 - March 31, 1989

Asset mix advisors, Confed Investment Counselling Limited, met with the Investment Committee on a quarterly basis (May, July, October, February) during the year ended March 31, 1989.

Confed's current recommendation from each of these meetings is listed below.

	May	July	Oct.	Feb.
Canadian Equities	5%	5%	5%	10%
U.S. Equities	10%	10%	10%	10%
Bonds	45%	45%	45%	45%
Mortgages	0%	0%	0%	0%
Short-Term	40%	40%	40%	35%

Confed's long-term asset mix recommendation has remained unchanged as follows:

Canadian Equities	25%
U.S. Equities	10%
Bonds	50%
Mortgages	0%
Short-Term	15%

APPENDIX D

Statement of Fund Assets

MARCH 31, 1989

	Cost		Market Value	
Cash	$ 418,293	0.1%	$ 418,293	0.1%
Accounts Receivable	4,572,829	0.6%	4,572,829	0.5%
Accrued Interest Receivable	18,652,406	2.2%	18,652,406	2.2%
Sub-Total	23,643,528	2.9%	23,643,528	2.8%
Short-Term Deposits	157,480,465	19.2%	157,480,465	18.6%
Bonds and Debentures (See Below)	503,359,969	61.3%	520,077,762	61.6%
Mortgages	3,747,119	0.4%	3,747,119	0.4%
Equities - Canadian	62,719,244	7.6%	69,915,664	8.3%
- U.S.	70,670,568	8.6%	69,850,808	8.3%
Total	$821,620,893	100.0%	$844,715,346	100.0%

BONDS AND DEBENTURES BY SECTOR

	Cost		Market Value	
Federal	$150,883,035	18.4%	$166,904,901	19.8%
Provincial	128,247,320	15.6%	126,083,696	14.9%
Provincial Guaranteed	156,509,672	19.0%	160,581,795	19.0%
Municipal	7,213,839	0.9%	7,333,797	0.9%
Total Government	442,853,866	53.9%	460,904,189	54.6%
Corporate	60,506,103	7.4%	59,173,573	7.0%
Total	$503,359,969	61.3%	$520,077,762	61.6%

Appendix D, Cont'd.

FIVE YEAR SUMMARY

Year Ended March 31	Annual Return on Investment	
	Cost Basis	Market Value Basis
1985	11.85%	23.99%
1986	11.93%	25.72%
1987	13.15%	12.53%
1988	10.98%	3.36%
1989	10.76%	9.23%

	Annualized Return on Investment	
	Cost Basis	Market Value Basis
1985-89	11.8%	14.4%

Rates of return for fixed income investments, calculated on a Market Value Basis, to some extent are a function of interest rate levels at the time of such calculation. Lower interest rate levels give rise to higher market values and conversely, higher interest rate levels to lower market values for bonds. Because 60% of the Fund is invested in long-term bonds, the rates of return, which are based on market values at financial statement date, are affected substantially. As a result, annualized returns on a cost basis may be more meaningful.

APPENDIX E

PROVINCE OF NOVA SCOTIA

NOVA SCOTIA TEACHERS' PENSION FUND

FINANCIAL STATEMENTS

MARCH 31, 1989

PROVINCE OF NOVA SCOTIA

NOVA SCOTIA TEACHERS' PENSION FUND

Notes to Financial Statements

March 31, 1989

1. Authority

Teachers in the Province are entitled to receive pension benefits pursuant to the provisions of a plan established under the Teachers' Pension Act. The operation of the plan is conducted within the Teachers' Pension Fund to which teacher and employer matching contributions and investment income are credited, and payments to pensioners and terminating teachers are charged. The Teachers' Pension Fund is invested in federal, provincial, municipal and corporate securities and mortgages eligible for investment under the Provincial Finance Act.

2. Valuation of Investments

Bonds, debentures and coupons of $503,359,969 (1988: $520,674,647) are valued at cost adjusted for the amortization of discounts and premiums over the life of the related security. The face value and the market value of these bonds, debentures and coupons as at March 31, 1989 was $523,087,500 (1988: $541,381,500) and $520,077,762 (1988: $554,152,328) respectively. Generally, investments in bonds and debentures are made with the intention to retain them until maturity at which time they are redeemed for their face value, unless there is an opportunity to exchange or dispose of the bonds and debentures to obtain a higher yield.

Mortgages of $3,747,119 (1988: $3,899,672) are valued at their cost and face value.

Short-term investments are shown at their cost and face value of $157,480,465 (1988: $118,088,926) at March 31, 1989.

Common and preferred shares are valued at a cost of $133,389,812 (1988: $69,314,963) at March 31, 1989. The market value of these equity investments at that date was $139,766,472 (1988: $67,309,538).

3. Gains and Losses on Investments

Gains and losses on bonds and debentures exchanged to obtain a higher yield, as well as gains and losses on disposals of common and preferred shares, are credited or charged to income in the year of disposition.

4. Administration Expenses

The Fund is charged with expenses of the Teachers' Pension Commission, and expenses incurred on behalf of the Fund by the Trust and Debt Management section of the Department of Finance.

	1989	1988
Salaries	$325,923	$293,334
Supplies and services	91,459	56,174
Professional and special services	385,474	222,625
Travel	19,358	16,069
Pension administration computer system	141,732	315,579
Other	12,649	11,156
	$976,595	$914,937

5. Actuarial Valuation

Actuarial valuations of the Teachers' Pension Fund are required every three years by the Teachers' Pension Act, and provide an estimate of fund liabilities at a point in time, calculated on a basis of various assumptions with respect to pension plan costs and rates of return on investments. The latest report on the actuarial valuation of the Teachers' Pension Fund was dated January, 1989 and based on information as of July 31, 1988.

The actuarial valuation projects liabilities for each member on the basis of service earned to date and the projected average salaries at the date of retirement. The actuarial valuation at July 31, 1988, includes assumptions on inflation, rates of return on investments, and an allowance for salary increases based upon service and promotion and increases for non-promotional reasons. The actuarial valuation indicates that at July 31, 1988, the Fund had actuarial liabilities with a present value of $1,613,444,000, assets of $768,061,000 and an unfunded actuarial liability of $845,383,000.

PROVINCE OF NOVA SCOTIA

NOVA SCOTIA TEACHERS' PENSION FUND

BALANCE SHEET

as at March 31, 1989

ASSETS

	1989	1988
Cash	$ 418,293	$ 840,819
Accounts receivable	4,572,829	9,228,601
Accrued interest receivable	18,652,406	17,133,484
	23,643,528	27,202,904
Investments (Note 2)		
Short-term deposits	157,480,465	118,088,926
Bonds and debentures	503,359,969	520,674,647
Mortgages	3,747,119	3,899,672
Common and preferred shares	133,389,812	69,314,963
	797,977,365	711,978,208
	$821,620,893	$739,181,112

LIABILITIES AND FUND BALANCE

	1989	1988
Accounts payable	$ 6,326,082	$ 6,317,317
Fund Balance	815,294,811	732,863,795
	$821,620,893	$739,181,112

PROVINCE OF NOVA SCOTIA

NOVA SCOTIA TEACHERS' PENSION FUND

Statement of Continuity of Fund

for the year ended March 31, 1989

		1989	1988
Balance, beginning of year		$732,863,795	$652,192,490
Add:	Teachers' contributions	31,727,521	30,231,360
	Government contributions	31,727,521	30,231,360
	Purchase of prior service	1,505,347	3,237,014
	Transfers from other pension funds	1,019,521	1,066,719
	Income earned on investments	76,736,637	70,115,107
	Amortization of discount and premium on investment	869,257	839,301
	Gain on sale of investments (Note 3)	2,051,317	426,379
		145,637,121	136,147,240
Deduct:	Expenses (Note 4)	976,595	914,937
	Pensions paid	60,239,323	52,143,196
	Refund of contributions	1,036,646	1,163,982
	Transfers to other pension funds	953,541	1,253,820
		63,206,105	55,475,935
Balance, end of year		$815,294,811	$732,863,795

NOVA SCOTIA TEACHERS UNION

PENSION SUBMISSION

TO

HONOURABLE RONALD C. GIFFIN

MINISTER OF EDUCATION

January, 1990

TABLE OF CONTENTS

PAGE

(1) FULL SERVICE PENSION 1

Resolution 85-60
Resolution 87-62
Resolution 89-90
Resolution 85-51

(2) THE CALCULATION OF PENSIONS 3

Resolution 88-87
Resolution 88-88
Resolution 88-80

(3) CREDIT FOR SERVICE 5

Resolution 86-45
Resolution 87-65
Resolution 87-64
Resolution 88-74
Resolution 84-43
Resolution 87-67
Resolution 87-68
Resolution 85-54
Resolution 86-49

(4) PENSION REPAYMENT 12

Resolution 89-91

(5) PENSION RECALCULATION 13

Resolution 87-66

(6) ADMINISTRATION 14

Resolution 86-52
Resolution 86-51

(7) DISCLOSURE 16

Resolution 88-86
Resolution 88-77
Resolution 89-84

FULL SERVICE PENSION

Resolution 85-60

BE IT RESOLVED THAT THE NOVA SCOTIA TEACHERS' PENSION PLAN BE AMENDED TO PROVIDE FOR A FULL SERVICE PENSION AT AGE 55 WITH TWENTY-FIVE OR MORE YEARS OF SERVICE.

Resolution 87-62

BE IT RESOLVED THAT THE NSTU LOBBY THE FEDERAL AND PROVINCIAL GOVERNMENTS TO ENACT LEGISLATION TO PROVIDE A FULL PENSION OF 2% PER YEAR OF TEACHING SERVICE TO BE AVAILABLE AFTER 30 YEARS OF TEACHING SERVICE, REGARDLESS OF AN AGE FACTOR.

Resolution 89-90

BE IT RESOLVED THAT A TEACHER MAY RETIRE, AFTER 30 YEARS OF SERVICE, REGARDLESS OF AGE, WITH A FULL PENSION.

Resolution 85-51

BE IT RESOLVED THAT THE NOVA SCOTIA TEACHERS UNION THROUGH NEGOTIATIONS WITH THE DEPARTMENT OF EDUCATION OF THE PROVINCE OF NOVA SCOTIA, ATTEMPT TO LOWER THE PENSIONABLE SERVICE TIME FOR A FULL PENSION FROM 35 YEARS TO 30 YEARS REGARDLESS OF AGE.

The attainment of favourable early provisions for members of the profession remains a major pension priority of teachers.

Essentially, these resolutions (85-51, 87-62, 89-90 and 85-60) propose amendments to legislation that would provide full service pensions:

(a) when the teacher has reached age 55 and has at least 25 years of service; or

(b) when the teacher has taught 30 years regardless of his/her age.

For many years now, our members have expressed, through Annual Council resolutions, their desire to have the '55-25' option and the '30 and out' provision included as full-service pension options under the Plan.

From the point of view of many individual teachers, the opportunity to retire at an earlier age, or with less service (than under present rules) is an important priority in improving our pension plan.

From the point of view of the profession such amendments must be seen as part of an overall strategy to provide employment opportunities for our province's young people.

In previous submissions, Mr. Minister, we have discussed the age demographics of the profession and the need to even out the retirement 'bump' that will occur when the 'baby boomers' reach retirement age in large numbers. We continue to express our concern in this regard.

THE CALCULATION OF PENSIONS

Resolution 88-87

BE IT RESOLVED THAT SECTION 21, SUBSECTION (1) OF THE TEACHERS' PENSION ACT BE AMENDED BY CHANGING "FIVE" TO "THREE".

This is a resubmission of Resolution 83-72.

The NSTU Pension Act provides that pensions be calculated on the average of the five highest salaried years.

The Federal Income Tax provisions for Registration of Pension Plans now provide for the calculation of pensions on the average of the best three (3) consecutive years.

Such an amendment to the Act would do much to encourage earlier retirement in that a teacher's initial pension would be closer to the final year of salary. The wide gap which presently exists between initial pension and final year salary is a deterrent to people considering retirement.

Consider, for example, a teacher TC5 at maximum experience for salary who retired in July 1989.

Year	5 Highest Years	3 Best Consecutive
1984-85	35,540	
1985-86	37,508	
1986-87	38,258	38,258
1987-88	39,406	39,406
1988-89	41,007	41,007
Total	$191,719	$118,671
Average	$ 38,343	$ 39,557
70% Pension	$ 26,840	$ 27,689
Difference in Pension:	$849	
Pension as a percentage of final salary:	65%	67%

The result is a pension somewhat higher than a pension based on the current provisions of the average of the five (5) highest years.

Resolution 88-88

BE IT RESOLVED THAT THE AVERAGE SALARY OF A DEFERRED PENSION BE ANNUALLY INDEXED ON JANUARY 1, EACH YEAR FROM THE DATE OF DEFERRAL TO DATE OF ELIGIBILITY PROVIDED IT IS ACTUARILY FEASIBLE.

This is a resubmission of Resolution 83-69.

Resolution 88-80

BE IT RESOLVED THAT THE NSTU ENTER INTO NEGOTIATIONS WITH THE PROVINCIAL GOVERNMENT TO OBTAIN INDEXATION OF ALL "DEFERRED PENSIONS" BETWEEN THE TIME PERIOD THAT THE TEACHER RETIRES AND THE TIME THAT THE TEACHER ACTUALLY RECEIVES HIS/HER PENSION CHEQUE.

The 1985 reply to resolution 83-69 indicated your desire to defer action on the topic of indexing deferred pensions until the Province's position on indexing, as public policy for all pension plans, became clearer.

Our understanding is that Pension Benefits Standards legislation requires pension plans to provide for indexing of deferred pensions. We believe such a change should be made in the Teachers' Plan so as to bring this benefit in line with the standard required of all other plans.

The need for indexing of deferred pensions is even more apparent in light of the options a resigning teacher has as a result of pension reform. If a resigning (but not retiring) teacher is given the option of converting the commuted value to an RRSP, where it will earn interest, and leaving the funds in the Pension Plan, with no opportunity for growth in the period leading to payment of a pension, the best option will become quite obvious. The result, in time, could be an increase in the amount of funds withdrawn. This possibility is not in the best interests of the Plan.

For the reasons noted we urge you to favourably consider this proposal, and make such amendments as are necessary to bring about the requested change.

In response to the 1988 submission, you indicated that it may be appropriate for the Nova Scotia Teachers' Pension Commission to look at this issue in light of the current evaluation of the Plan. The Nova Scotia Teachers Union looks forward to an updated response to these resolutions.

CREDIT FOR SERVICE

Resolution 86-45

BE IT RESOLVED THAT THE NSTU SEEK A CHANGE IN THE NSTU PENSION PLAN THAT WOULD PERMIT A TEACHER WHO WAS TEACHING IN ANOTHER PROVINCE, TOOK A LEAVE FOR STUDY, AND THEN TAUGHT IN NOVA SCOTIA, TO BE HEREBY ENTITLED TO PURCHASE A YEAR AS CURRENTLY PROVIDED IN THE ACT AS SERVICE OUTSIDE NOVA SCOTIA.

Resolution 87-65

BE IT RESOLVED THAT NSTU SEEK A CHANGE IN THE NSTU PENSION PLAN THAT WOULD PERMIT A TEACHER WHO WAS TEACHING IN ANOTHER PROVINCE, TOOK A LEAVE FOR STUDY, AND THEN TAUGHT IN NOVA SCOTIA TO BE ENTITLED TO PURCHASE UP TO TWO YEARS AS CURRENTLY PROVIDED IN THE ACT AS SERVICE OUTSIDE NOVA SCOTIA.

We ask you to give these resolutions careful consideration as governments at all levels move towards providing greater portability options for pensions. Recent years have seen the expansion of reciprocal transfer options among teacher plans. Additionally, governments are moving in a general way to encourage wider recognition of service.

Currently, the operational definition of the Commission is such that a leave of absence for study is recognized if a teacher taught in Nova Scotia the year previous to the leave and the year after the leave.

The situation that has fallen between the cracks with this definition is one that resolution 86-45 proposes you address.

Resolution 87-65 merely seeks to clarify, and assure that the two year maximum available in other instances, will also apply to the situation we have brought to your attention.

Resolution 87-64

BE IT RESOLVED THAT THE NSTU URGE THE GOVERNMENT OF NOVA SCOTIA TO PROVIDE THAT ALL HOLDERS OF VOCATIONAL TEACHER'S CERTIFICATES BE GIVEN THE OPTION OF PURCHASING ONE YEAR OF WORK EXPERIENCE FOR PENSION PURPOSES.

This is a resubmission of resolution 82-46.

Resolution 88-74

BE IT RESOLVED THAT ALL TEACHERS IN NOVA SCOTIA, WITH A TEACHER'S CERTIFICATE, OR A VOCATIONAL TEACHER'S CERTIFICATE, BE PERMITTED TO BUY UP TO 2 YEARS OF PRE-EMPLOYMENT TRAINING, EDUCATION, OR WORK FOR PENSION PURPOSES.

The 1982 resolution proposed that one year of industry service be purchasable as pensionable service by vocational/community college teachers in recognition of the fact that most of these teachers come into the profession from industry.

Mr. Minister, our examination of the demographics related to age and experience leads us to the conclusion that there is a special case to be made for vocational/community college teachers, many of whom come from industry at mid-career without the benefits of portability of pension credits.

Demographic information shows a greater proportion of senior teachers in the vocational/community college system compared to teachers in the elementary and secondary school system.

At the same time the amount of teaching service credited to these individuals is low. Many have come from industry at a time when pension portability options did not exist.

The effect of this is that pensions payable to such teachers will be low. These proposals seek your co-operation in finding ways to enhance the service time and the resulting pensions of vocational/community college teachers.

In your reply to our 1988 Submission you indicated that you were not unsympathetic to the plight of the vocational/community college teachers, and that you wished to discuss the matter further with the Minister of Advanced Education and Job Training. We look forward to a progress report on this item.

Resolution 88-74 also proposes that pre-service training be recognized as pension service, on the assumption that the teacher would pay for his/her share of the cost.

Resolution 84-43

BE IT RESOLVED THAT A PERMANENT CONTRACT TEACHER WHO IS INVOLVED IN SHARED TEACHING OR PART-TIME TEACHING BE GIVEN THE OPTION OF PURCHASING HIS/HER REMAINING PORTION OF THE SCHOOL YEAR FOR PENSION BENEFITS PROVIDED:

(a) SUCH A TEACHER WAS EMPLOYED FULL-TIME IMMEDIATELY BEFORE ELECTING TO JOB-SHARE OR TO ACCEPT PART-TIME TEACHING,

(b) THE ELECTION OF JOB-SHARING OR PART-TIME EMPLOYMENT MUST HAVE BEEN MADE VOLUNTARILY BY THE TEACHER,

(c) THIS PROVISION IS AUTOMATICALLY REVIEWED FIVE (5) YEARS AFTER IMPLEMENTATION.

The 1986 response indicated favourable disposition by the Minister to this proposal. Your 1987 response indicated a willingness to examine this proposal on a 'cost-neutral' basis. It is the wish of the Union that discussions continue to see if a basis can be reached for a fair costing method for purchase of the 'other portion' of job sharing arrangements.

In your 1988 response you indicated that you wished to have the Nova Scotia Teachers' Pension Commission obtain a ruling from Revenue Canada before commenting further on this resolution. It is our understanding that this proposal complies with Revenue Canada rules. We look forward to your response on this matter.

Resolution 87-67

BE IT RESOLVED THAT THE REGULATIONS OF THE TEACHERS' PENSION ACT BE AMENDED TO PROVIDE THAT ALL MATERNITY AND ADOPTION LEAVE BE INCLUDED AS PENSIONABLE SERVICE, ON CONDITION THAT THE TEACHER PAY HIS/HER SHARE OF THE COST.

Mr. Minister, teachers appreciate the 1989 amendment which allowed for purchase of unpaid maternity leave. We do ask, however, that you make such amendments as may be necessary to allow for purchase of unpaid adoption leave. If you are positively disposed to this request we agree that the cost of such purchase should be revenue neutral.

Resolution 87-68

BE IT RESOLVED THAT THE REGULATIONS OF THE TEACHERS' PENSION ACT BE AMENDED TO ALLOW TEACHERS TO PURCHASE CHILD REARING LEAVE AS PENSIONABLE SERVICE.

Many of our members, in the past, have been faced with the necessity of interrupting their teaching careers for purposes of raising a family. This has meant, for many of our members, that their pensionable service has been 'chequered' by the child rearing necessity.

We urge you to exmaine this proposal carefully with a view to providing an opportunity for teachers to purchase child rearing leave.

In your 1988 response you indicated that you wished to have more information on this topic before commenting further. The Nova Scotia Teachers Union would welcome a positive response to this resolution.

Resolution 85-54

BE IT RESOLVED THAT THE REGULATIONS UNDER THE TEACHERS' PENSION ACT BE AMENDED TO PROVIDE THAT A TEACHER WHO IS ON LEAVE FOR THE PURPOSE OF MUNICIPAL SERVICE, THAT IS MAYOR, WARDEN, COUNCILLOR, OR ALDERMAN AND SUBSEQUENTLY RESUMES HIS/HER DUTIES FOR NOT FEWER THAN FIFTY (50) SCHOOL DAYS IN A SCHOOL YEAR, HE/SHE MAY MAKE CONTRIBUTIONS SUBJECT TO THE APPROVAL OF THE COMMISSION TO THE FUND, PLUS INTEREST ON ALL AMOUNT OF CONTRIBUTIONS AT THE INTEREST RATE PRESCRIBED IN THE ACT, IN RESPECT OF HIS/HER MUNICIPAL SERVICE IN AN AMOUNT CALCULATED ACCORDING TO THE RATE OF SALARY HE/SHE WOULD HAVE RECEIVED UNDER THE SALARY SCHEDULE APPLICABLE TO HIS/HER POSITION.

The Union notes your generally favourable disposition to this resolution, and urges that the intent of this resolution be implemented.

Your 1988 response indicated agreement in principle provided the Pension Fund was not adversely affected. If you are positively disposed, a "revenue neutral" approach may be appropriate.

Resolution 86-49

BE IT RESOLVED THAT THE NSTU URGE THE GOVERNMENT OF NOVA SCOTIA TO PROVIDE TEACHERS WHO HAVE UNIVERSITY/COLLEGE TEACHING EXPERIENCE IN CANADA THE OPTION OF PURCHASING ONE OR MORE YEARS OF SUCH TEACHING EXPERIENCE.

Regulation 8 of the Regulations of the Teachers' Pension Commission allows for the purchase of time spent teaching in a post secondary institution, but only after a person has been employed for ten years in the public school system.

In the interest of allowing greater opportunities for mobility, including the opportunity to move from the university community to the public schools, we have requested you and your officials examine the current regulation with a view to reducing the amount of teaching time necessary before purchase is allowed.

We suggested this requirement be examined in light of portability provisions of pension reform legislation being considered by government, and are encouraged by your favourable response to the 1986 submission. We look forward to further discussion with your officials with a view to a favourable resolution to this proposal.

Your 1988 response indicated that you were awaiting review of this matter by the Nova Scotia Teachers' Pension Commission. We look forward to a progress report on this matter.

PENSION REPAYMENT

Resolution 89-91

BE IT RESOLVED THAT THE NOVA SCOTIA TEACHERS' PENSION COMMISSION BE REQUESTED TO EXAMINE VARIOUS OPTIONS FOR PURCHASE OF PAST SERVICE, INCLUDING SINGLE-YEAR BUY BACK AND PAYROLL DEDUCTIONS FOR PAST SERVICE PURCHASES.

Practicing teachers who, at some time, had withdrawn contributions to the Nova Scotia Teachers' Pension Fund must, in order to repurchase credit for years of experience, make the buy-back in a single lump sum.

Such a procedure may make the repurchase difficult because of the large sum involved.

The purchase of credit for other experience, such as years of post-certification study or years taught in other jurisdictions, may be made in single-year units.

The mathematical computations necessary to calculate single-year buy-back of credit for years of experience is easily within the capacity of modern computers.

The present regulation requiring single lump-sum buy-back appears to be entirely arbitrary, unreasonable and unfair.

PENSION RECALCULATION

Resolution 87-66

BE IT RESOLVED THAT THE NSTU PENSION SUBMISSION TO THE MINISTER OF EDUCATION CONTAIN A PROPOSAL THAT ALL PENSIONS BE RECALCULATED IN ACCORDANCE WITH THE PRESENT PROVISIONS OF THE PLAN WITH THE PROVISO THAT NO PENSIONER RECEIVE LESS THAN WHAT HE/SHE IS RECEIVING AT THE TIME RECALCULATION TAKES PLACE.

This is a resubmission of resolution 82-44.

It is intended that all existing pensions be upgraded to the current provisions of the Act. It is not, however, intended to apply the current 6% escalation provisions retroactively to the date when escalation was put into effect.

Such changes, over the past decade, as

- Age plus service equals 85
- 35 years of service, no age requirement
- Age 60 with 10 years service
- Dependents' pension provisions
- Increased spouses pensions

have been of benefit to those teachers employed at the time and who subsequently retired.

Those who retired under less favourable provisions would benefit by a recalculation based on current benefits.

ADMINISTRATION

Resolution 86-52

BE IT RESOLVED THAT THE NOVA SCOTIA TEACHERS' PENSION COMMISSION OBTAIN SUITABLE FACILITIES FOR ITS OPERATION SO THAT IT WILL NOT BE OR APPEAR TO BE A PART OR FUNCTION OF THE DEPARTMENT OF EDUCATION.

We continue to hold the view that the Commission be seen as an agency to serve both government and teachers. We are encouraged by the comments in your 1986 response, in which you indicated that the Commission does have the authority to review its operating conditions and to determine the most appropriate milieau for discharging its responsibilities.

Your 1988 response indicated that the Nova Scotia Teachers' Pension Commission would prepare a report on this topic. We look forward to an update on this.

We also commend the Commission for recent facility improvements. These have been favourably received by teachers.

Resolution 86-51

BE IT RESOLVED THAT THE NOVA SCOTIA TEACHERS' PENSION ACT BE CHANGED TO PROVIDE THAT THE NOVA SCOTIA TEACHERS' PENSION COMMISSION:

(i) BE OPERATIONALLY AND FISCALLY INDEPENDENT OF THE DEPARTMENT OF EDUCATION AND THE GOVERNMENT OF NOVA SCOTIA,

(ii) BE RESPONSIBLE FOR INVESTMENT OF THE FUND AND ALL RELATED INVESTMENT DECISIONS, AND

(iii) ENGAGE THE STAFF AND/OR PROFESSIONAL SERVICES WHICH WOULD BE NECESSARY FOR THE PURPOSE OF MANAGING AND INVESTING THE NOVA SCOTIA TEACHERS' PENSION FUND.

We continue to believe that the scope of the Commission's responsibilities should be expanded. There is no need for the Commission to forward contributions to the Department of Finance for the purpose of having that department invest the assets. Rather, we submit, this activity should be coordinated by the Commission, the body directly responsible to both major 'shareholders' (government and teachers).

Increasingly, pensions are being recognized by society as a form of deferred wages. Seen in this light, it is not unreasonable for both major principals to take a more active interest in the management of fund assets.

It is time for a careful re-examination of the traditional approach that has been taken for granted over the years on the matter of fund investment. Specifically, the traditional practice of investing pension funds almost totally in bonds has, we submit, resulted in smaller returns for the fund than might have been possible with a more varied asset mix.

Only recently has the Chairman of the Pension Commission been added to the Investment Committee which manages the Fund's investment activities.

Our proposal would give the Commission greater autonomy and an expanded role. Inherent in the resolution is the point that the Commission be given the authority to engage such staff and services as would be required to invest the funds. We believe that taking these measures will lead to better rates of return for the funds. Who would argue against a more favourable rate of return and a decrease in the Funds' liabilities?

Your 1988 response indicated that this matter should be studied by the Commission. We look forward to a further report on this resolution.

DISCLOSURE

Resolution 88-86

BE IT RESOLVED THAT ALL THE INFORMATION CONCERNING THE AMOUNTS COLLECTED AND DISBURSED AND THE INVESTMENT DISPOSITION OF THE TEACHERS' PENSION FUND BE MADE AVAILABLE TO INDIVIDUAL TEACHERS ON AN ANNUAL BASIS.

We are pleased that plans are well advanced to bring about the intent of this resolution.

We note with some satisfaction the amendment passed in the 1987 legislation which will lead to a greater commitment on the part of the Commission to communicating with each teacher on its rolls in respect of:

(1) that teacher's status under the Plan;
(2) the teacher's rights and obligations as a Plan member;
(3) Plan changes that could affect the teacher; and
(4) a summary of benefits under the Plan.

We believe there is an excellent opportunity for the Commission to enhance its relationship with Plan members through the development of individual status forms. We encourage the Commission to carefully consider how it will discharge its obligations in this regard.

Last year the Commission made an excellent beginning by providing individual reports to teachers. We look forward to continued improvements in the area of reporting to teachers.

Resolution 88-77

BE IT RESOLVED THAT WHEN A TEACHER BUYS A YEAR OF SERVICE FOR PENSION PURPOSES, SAID TEACHER BE GIVEN ALL RELEVANT CALCULATIONS REGARDING HOW THE AMOUNT NECESSARY TO BUY THE YEAR WAS DETERMINED.

Currently, teachers do not receive an explanation of how the cost of purchasing pension service is determined. In the spirit of disclosure, it is proposed that teachers receive, from the Commission, an indication of the method used to determine purchase cost.

Your 1988 response expressed complete agreement with this proposal. We trust we will see progress made in implementing this resolution.

Resolution 89-84

BE IT RESOLVED THAT THE NSTU BE REPRESENTED ON THE INVESTMENT COMMITTEE RESPONSIBLE FOR MANAGING THE NOVA SCOTIA TEACHERS' PENSION PLAN FUND.

Teachers contribute fifty percent (50%) of all dollars that constitute the Teachers' Pension Fund. Teachers deserve a meaningful role in all aspects of the administration of the Teachers' Pension Plan, including the investment of pension funds.

Mr. Minister, it is time to re-examine current practices concerning the Pension Fund investment. If Government seeks to have teachers involved in helping to resolve problems associated with the Pension Fund, then surely it should give teachers a role in administering the Fund.

DISCLOSURE

Resolution 83-70

BE IT RESOLVED THAT THE NSTU PENSION SUBMISSION CONTAIN A PROPOSAL THAT THE MINISTER OF EDUCATION IMPLEMENT THE NECESSARY PROVISIONS SO THAT THE PENSION COMMISSION WILL ISSUE TO EACH TEACHER AT LEAST ONCE EVERY THREE (3) YEARS A STATEMENT SHOWING:

(1) THE TEACHER'S NORMAL RETIREMENT DATE;

(2) THE TEACHER'S PENSIONABLE SERVICE;

(3) THE METHOD USED TO CALCULATE THE PENSION BENEFIT;

(4) THE CANADA PENSION PLAN INTEGRATION FORMULA;

(5) INFORMATION ON THE VESTING (DEFERRED) PENSION PROVISIONS;

(6) DEATH BENEFITS AVAILABLE.

We are pleased that plans are well advanced to bring about the intent of this resolution.

We note with some satisfaction the amendment passed in the 1987 legislation which will lead to a greater committment on the part of the Commission to communicating with each teacher on its rolls in respect of:

(1) that teacher's status under the plan;
(2) the teacher's rights and obligations as a plan member;
(3) Plan changes that could affect the teacher; and
(4) a summary of benefits under the Plan.

We believe there is an excellent opportunity for the Commission to enchance its relationship with plan members through the development of individual status forms. We encourage the Commission to carefully consider how it will discharge its obligations in this regard.

RESPONSE OF
THE MINISTER OF EDUCATION
TO THE NOVA SCOTIA TEACHERS' UNION
RE: 1987 PENSION SUBMISSION

1. FULL SERVICE PENSION

Resolutions 85-60, 87-62, 85-51

These three resolutions are requesting more generous early retirement provisions than those which already exist. I understand that very few pension plans in Canada have such retirement provisions as you are requesting. Retirement after a working career of only 25 years seems to be very generous indeed.

Statistics Canada reports that in the private sector the most common retirement ages are 60 and 62 with service ranging from 10 to 35 years. In the public service the ages are 55 and 60 with 30 years of service being the most frequent.

I recite this simply to emphasize that your proposals are ahead of the norm in the pension industry. You refer in your submission to the recent amendment to the Teachers' Pension Act which allowed retirement at 55 years of age with a combined age and years of service of 85. This was a major enhancement to the pension plan.

I appreciate the point you are making that attractive earlier retirement might not be undesirable given the current demographics of the teaching profession. The resolutions which you are proposing would certainly be valuable for those teachers who are actually retiring and withdrawing from the work force. For those involved in a career change, however, other solutions might be preferable.

Recent amendments to the Teachers' Pension Act will now allow the Commission to enter into a greater array of pension transfer arrangements. These might meet the requirements of the situation better and at a lesser cost than your proposals.

You may be aware that the Commission is proposing to have an actuarial valuation performed on the pension fund in the latter part of this year. When the valuation results are available, we shall both have a better idea of the cost of the benefits which are currently in the plan. It would be more appropriate, I think, to consider further enhancements at that time.

In summary, my reaction is not to support these resolutions at this time.

2. CALCULATION OF PENSIONS

Resolutions 83-72, 83-69

My response to your proposal to decrease the salary averaging period from five years to three is essentially what I have expressed in the preceding section. This is a major change to the benefits regime and indeed a fairly expensive one. I understand that the increase in current service cost would be .80% of payroll for both the Province and the teachers. It would also add an amount in excess of $50 million to the unfunded liability.

...2

In light of the state of the unfunded liability and our ongoing discussion regarding ways of tackling this problem, I am most reluctant to lend my support to this proposal.

My response to your proposal to index deferred pensions must also be negative. As you know, the indexing regime comes under the authority of the Pension Commission. Once the results of the next valuation are known, the Commission could be asked to prepare a report on this issue.

3. BENEFITS TO CHILDREN AND DEPENDENTS

Resolutions 87-71, 87-69

The substance of your two resolutions has been a matter of discussion between my cabinet colleagues and myself quite recently. The Government, however, is not disposed at this time to act on them.

I would be prepared, however, at some time in the future to suggest these amendments again to my colleagues for their consideration.

4. CREDIT FOR SERVICE

Resolutions 86-45, 87-65, 87-64, 84-43, 87-67, 87-68, 85-54, 86-49

There are existing provisions in the pension plan allowing the purchase of various kinds of leave. These are already more generous than are found in many other pension plans. I also understand that the question of a costing method for purchases of teaching service outside the Nova Scotia public school system is being reviewed by the Pension Commission. If these discussions result in a cost calculation method which is cost neutral to the Pension Fund, I think we could then look in a more positive light at a broadening of the purchase opportunities for current contributors to the pension plan.

Until the results of the next valuation are available, I shall make no comment on resolutions 86-45, 87-65, 87-64, 85-54 and 87-68.

With regard to the resolutions on credit for job sharing and maternity leave, I have discussed these with my cabinet colleagues. I am pleased to say that the appropriate proposals for amendments have been introduced in the current session of the House of Assembly.

With regard to your resolution regarding the recognition of university/college teaching experience, I would certainly be willing to forward a request to the Teachers' Pension Commission that they review the appropriate regulation to determine whether the 10 year eligibility period is still as valid today as it was when the regulation was first made. I would agree with you that we should be looking at provisions which make pensions more portable.

...3

5. **PENSIONER - RETURN TO TEACHING**

Resolution 87-70

I concur with your sentiments that any provisions of the pension plan which act as an impediment to the creation of employment opportunities for currently unemployed teachers should be looked at most seriously. I am pleased to advise you that your proposal, that a teacher who retires on a service pension be permitted to teach not more than 70 days in any school year before his or her pension is affected, has been incorporated into a bill which has been introduced in the House of Assembly.

6. **PENSION RECALCULATIONS**

Resolution 87-66

It has been a basic tenet of the Teachers' Pension Plan since its inception that enhancements to the benefits regime are not made on a retroactive basis. I am certainly sympathetic to the problem of those who retired under conditions less favourable than those currently existing, but I do have some difficulty in agreeing with this resolution. It has been a recognized principle that changes are effective from a certain date. I am reluctant to lend my support to a proposal which would deviate from this principle.

I think one must recognize that when an individual makes a decision to retire it presumably is based on the facts of the situation at that time. It would, I think, be an unsettling precedent to bestow a benefit retroactively to a time when the benefit perhaps did not exist.

7. **ADMINISTRATION**

Resolution 86-52, 83-73, 86-51, 83-70, 85-62

With regard to your resolution concerning the Commission's operations, I concur with your view that the Commission should be seen as an agency to serve both government and teachers. When the Commission was established in 1949, it was deemed appropriate by both the teachers and government of the day that the pension plan should be administered by an organization which stood at arm's length from the government. I continue to subscribe to the position, that since the Teachers' Pension Plan is a multi-employer plan, a corporate structure, with the Commissioners acting as a board of directors, is more appropriate for its administration than that of a line department of government.

I think that a Commission operating at arm's length from both government and the NSTU is in the best interests of both government and teachers. It removes pension administration from the advocacy relationship which teachers, through the NSTU, must on occasion necessarily have with government. I value the Commission as a neutral forum in which pension matters can be dealt with in a non-adversarial way. The government maintains contact with the

...4

Commission through the membership of the Deputy Minister of Education as the teachers do through their elected representatives. This, I think, serves both parties well.

As my predecessor responded last year, the Commission has the authority to review its operating conditions and determine the optimum milieu for the discharge of its responsibilities. I concur with your view that this review should be undertaken.

With regard to the delinquency of remittances by school boards, I agree with your suggestion that there be a follow-up study of the timing of remittances so that a comparison can be made with the 1985 study. Once we have an up-to-date report on the situation an informed decision can then be taken as to what action, if any, is required.

In Resolution 86-51 you are effectively suggesting that the Teachers' Pension Commission should be the trustee of the pension fund and not the Minister of Finance. It has been legislated in the Teachers' Pension Act since 1949 that the Minister of Finance should be both trustee and custodian of the fund. It would therefore be a radical change to accept your proposal.

Questions regarding the trusteeship of the pension fund are important ones, especially in the light of the existence and indeed the size of the unfunded liability. In addition, pensions are certainly a topic of increasing importance to larger and larger numbers of people. The administration, accounting and investing functions are also matters of prime importance to pension plan contributors and benefit recipients.

I shall ask the Commission to prepare a report on what it sees as its role in the entire area of plan administration, accounting and investments. I think this would be particularly apropos given the discussions which are ongoing regarding an overall package of reforms to the Teachers' Pension Plan.

8. DISCLOSURE

Resolution 83-70

I understand that the Pension Commission has taken your requirements for disclosure into account in the development of its new computer system. I am advised that the Commission plans to conform with the standards contained in the Pension Benefits Act. This requires the pension plan to make an annual statement available to all members.

9. PLAN EVALUATION

Resolution 85-62

I am pleased to advise you that your proposal that the maximum period between actuarial valuations should be reduced from five to three, has been included in a bill which has been introduced in the House of Assembly.

April 1988

April 1990

RESPONSES OF THE MINISTER OF EDUCATION TO NSTU PENSION SUBMISSION

Introduction

A number of my comments apply to all of the proposals that involve increases in the benefits available under the pension plan. In the interests of brevity, I shall make these comments at the beginning of my response.

Since the Teachers' Pension Fund was established in its present form in 1949, there have been a large number of changes to the plan. These have resulted over the years in a much wider array of benefits.

As you know, when a benefit is increased in a pension plan, the financial ramifications are often retroactive. The service that the plan members have accumulated to the date of the benefit increase has an increased actuarial liability as soon as the benefit enhancement comes into effect. In addition to this past service cost there is, of course, an increase in the current service cost.

In previous years, when there were benefit enhancements the related past service costs were simply added to the unfunded liability rather than amortized as would be the case in a plan subject to the Pension Benefits Act. As you are aware, there has been agreement for the past few years between the government and the union that all benefit increases must be paid for by increases in contributions. This principle applies to past service costs as well as current costs.

Agreement with any of your proposals which call for benefit increases would therefore require increases in the Province's contributions to the pension fund. In the current fiscal year, there are so many competing demands for the limited financial resources available that I simply could not justify an increased provincial contribution to pay for new or increased benefits. I cannot therefore support any resolution which calls for increases in benefits.

Full Service Pension

Resolution 85-60

Be it resolved that the Nova Scotia Teachers' Pension Plan be amended to provide for a full service pension at age 55 with twenty-five or more years of service.

Resolution 87-62

Be it resolved that the NSTU lobby the federal and provincial governments to enact legislation to provide a full pension of 2% per year of teaching service to be available after 30 years of teaching service, regardless of an age factor.

Resolution 89-90

Be it resolved that a teacher may retire, after 30 years of service, regardless of age, with a full pension.

Resolution 85-51

Be it resolved that the Nova Scotia Teachers Union through negotiations with the Department of Education of the Province of Nova Scotia, attempt to lower the pensionable service time for a full pension from 35 years to 30 years regardless of age.

Response

These four resolutions are proposing that retirement on an unreduced service pension be available under two new sets of criteria:

- 55 years of age with 25 years of service;
- 30 years of service, regardless of age.

Extrapolating from the 1988 valuation of the Teachers' Pension Fund, these proposals would incur a past service cost of over $68 million in addition to a current service cost of 0.35% of earnings.

To amortize the past service cost would require annual payments of over $8,000,000.

The Calculation of Pensions

Resolution 88-87

Be it resolved that Section 21, Subsection (1) of the Teachers' Pension Act be amended by changing "five" to "three".

Response

This proposes that pensions be based on a three-year average salary rather than the current five. The past service cost related to this would be almost $88 million and the current service cost would be 0.79% of earnings. Annual amortization payments would be over $10,000,000.

Resolution 88-88

Be it resolved that the average salary of a deferred pension be annually indexed on January 1, each year from the date of deferral to date of eligibility provided it is actuarily feasible.

Resolution 88-80

Be it resolved that the NSTU enter into negotiations with the provincial government to obtain indexation of all "deferred pensions" between the time period that the teacher retires and the time that the teacher actually receives his/her pension cheque.

Response

These resolutions would have the effect of indexing deferred pensions. Such a change would incur a past service cost of approximately $19 million. The current service cost would be 0.24% of earnings. The annual amortization payment would be $2,300,000.

Credit for Service

Resolution 86-45

Be it resolved that the NSTU seek a change in the NSTU Pension Plan that would permit a teacher who was teaching in another province, took a leave for study, and then taught in Nova Scotia, to be hereby entitled to purchase a year as currently provided in the Act as service outside Nova Scotia.

Resolution 87-65

Be it resolved that NSTU seek a change in the NSTU Pension Plan that would permit a teacher who was teaching in another province, took a leave for study, and then taught in Nova Scotia to be entitled to purchase up to two years as currently provided in the Act as service outside Nova Scotia.

Response

These propose that teachers be allowed to buy leaves of absence which were taken while working in another province. It is not possible to determine what the cost would be to the fund because the utilization of the opportunity cannot be predicted. A cost would, however, certainly be incurred.

The cost of most purchases currently available under the plan is calculated as "twice contributions plus interest." I understand that this calculation method generally produces a price lower than the actuarial value of the pensionable service being purchased.

I would not be prepared to support any expansion of purchase opportunities until all purchase prices are based on actuarial cost. Nor am I convinced that the province should pay half, or any portion of the price, regardless how it is calculated. It seems to me that teachers should avail themselves of whatever purchase opportunities exist in the other province.

Resolution 87-64

Be it resolved that the NSTU urge the Government of Nova Scotia to provide that all holders of vocational teacher's certificates be given the option of purchasing one year of work experience for pension purposes.

APPENDIX VIII -
Nova Scotia Liquor Commission

Wednesday, June 6, 1990
9:30 a.m. to 11:30 a.m.

Location: Legislative Chamber
Province House

Attendance:

Dr. William Gillis, M.L.A., Chairman
Hon. George Archibald
Hon. Ronald Giffin, Q.C.
Hon. G. David Nantes
Vincent J. MacLean, M.L.A.
Alexa McDonough, M.L.A.

Substitutions:

Marie Dechman, M.L.A. -FOR- Hon. Brian Young
Hon. Ronald Russell -FOR- Hon. Donald McInnes
Bernard Boudreau, M.L.A. -FOR- Ross Bragg, M.L.A.

Committee Secretary:

Dianne M. Stillman

Witnesses: -Representing the Nova Scotia Liquor Commission:

-Mr. Donald Pulsifer
General Manager and C.E.O.
-Mr. Bruce Rogers
Executive Director, Retail Services
-Mr. Leroy Weagle
Executive Director, Corporate Services

COMMITTEE BUSINESS

The Chairman called the meeting to order and invited the witnesses to make opening remarks. In his statement, Mr. Pulsifer gave the members some background information on the Nova Scotia Liquor Commission and attempted to clarify what he felt were misconceptions about the business practices of the Commission.

A 81

THE NOVA SCOTIA LIQUOR COMMISSION

HALIFAX
NOVA SCOTIA

TO: General Manager & Chief Executive Officer

FROM: Exectuive Director - Retail Services

DATE: June 14, 1990

SUBJECT: Public Accounts Committee Information - Distribution Centre

Attached is a copy of correspondence requested by the Public Accounts Committee during our June 6th presentation.

The information requested is scoring sheets prepared by staff following presentation by the two proponents.

I have also included a review of the Performance Specifications which were carried out leading to similar conclusions by senior staff.

If you require any additional information, please advise.

B. E. Rogers

B. E. Rogers

BER:lct

Attachment

c.c. Executive Committee

THE NOVA SCOTIA LIQUOR COMMISSION
RECEIVED
JUN 14 1990
General Manager &
Chief Executive Officer

NOVA SCOTIA LIQUOR COMMISSIONER
CURRENT SALARIES
CHIEF COMMISSIONER and COMMISSIONERS

NAME	POSITION	ANNUAL SALARY
Peter J. MacKeigan	Chief Commissioner	$31,286.
Hanson D. Josey	Commissioner	$25,682.
A. A. MacIsaac	Commissioner	$26,709.

June 20, 1990

DISTRIBUTION CENTRE

GENERAL

- Space Program requirements by the N.S.L.C. included 190,175 s.f.

  C/C - 194,205 s.f. (Sewer Development Cost - $58,262.00)

  - Space Planner to be made available at no expense to N.S.L.C.

  EPP - 200,741 s.f. (Sewer Development Cost - $60,222.00)

- Staff Review

  A presentation/question and answer review was carried out including eight senior staff members, as well as, our Consultant and the Director of Property & Development. The consensus favour the Canterbury/Corkum proposal. See attached Staff Review Highlights.

DISTRIBUTION CENTRE

STAFF REVIEW HIGHLIGHTS

Rating: 1 to 3 (High)

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1. Confidence of Developer	C/C	3	3	3	3	2	3	3	3
	EPP	3	1	2	2	2	2	1	2
2. Site - Design & Layout	C/C	3	3	3	3	2	3	2	2
	EPP	2	2	2	3	1	2	1	1
3. Building - Design & Layout	C/C	3	3	3	3	2	2	3	3
	EPP	3	2	2	2	1	1	1	2
4. Mechanical System (Heating, etc.)	C/C	2	3	3	3	2	2	3	3
	EPP	2	2	2	2	2	2	1	1
5. Electrical System	C/C	3	3	3	2	2	3	2	2
	EPP	3	2	2	2	2	2	2	2

Canterbury/Corkum	- 107
East Port Properties	- 74

Comments:

a) Canterbury/Corkum has a more attractive building; Costs should dictate.

b) Canterbury/Corkum proposal well designed, very professional; Eastport less than desired.

c) Canterbury/Corkum superior package, very professional, answered all questions; Eastport lacked confidence, could not answer a number of key questions.

d) Canterbury/Corkum presentation impressive.

e) Canterbury/Corkum very professional, answered all questions confidently; Eastport less professional, not clear on some answers.

f) Excellent presentations, impressed with Canterbury/Corkum, they appear more approachable and flexible.

g) Canterbury/Corkum air-conditioning and interior design seems better and they have a better handle on the proposal.

h) Canterbury/Corkum presentation professional, clear with good design and systems; Eastport less professional and unsure of answers and the doubt, as to inclusions of all requirements.

SECTION III FLOOR CONSTRUCTION

- Warehouse floor finish

C/C - Superflat. Post-tensioning & monitoring, currently being priced.

EPP - Superflat. Post-tensioned in one direction and monitoring included.

SECTION IV ROOF CONSTRUCTION

C/C - IRMA roof, roofmate insulation.
- 25 year guarantee through transferrable sinking fund ($152,000 ±)

EPP - Single ply roof, beadboard insulation.
- 25 year guarantee

SECTION V VERTICAL SKIN

a) - Exterior wall cladding

C/C - Concrete panels trucked to site and erected;
- grey finish in lieu of white; savings of $59,000 ±
- 10 year warranty on water infiltration.

EPP - Concrete panels built on site;
- Folly Lake aggregate finish;
- Warranty ten years.

b) - Windows

C/C - Reflective glass all elevations

EPP - Reflective glass all elevations except second storey north office wall (Finance)

c) - Leasehold Improvements

C/C - Allowance $200,000

EPP - Allowance $157,200

. . . 4.

SECTION VI INTERIOR SPACE DESIGN

a) - Corridors & Circulation

C/C - Good circulation, due to four cross corridors and building shape.

EPP - Fair circulation, due to two cross corridors and building shape.

b) - Natural Light

C/C - 30' or less, due to large skylight, light well and office design & layout.

EPP - 35' to 40', restricted, due to layout.

SECTION VII INTERIOR FRAMES

SECTION VIII INTERIOR DOORS

a) - Overhead doors

C/C - Multiplex doors included,

EPP - Vertical lift, wood doors.

SECTION IX DOOR HARDWARE

SECTION X INTERIOR FINISHES

SECTION XI CASEWORK

. . . 5.

SECTION XII GRAPHICS

a) - Room Name & Numbering System

b) - Co-ordinated graphic direction & activity signage.

C/C - Allowance for both $25,000

EPP - Allowance for both $12,000 but will do, as required.

SECTION XIII EQUIPMENT

a) - Section covers equipment to be supplied by N.S.L.C. and installed by Developer.

SECTION XIV VERTICAL CIRCULATION

a) - Elevator

C/C - Glass enclosed, as per World Trade Centre
- includes three-year warranty and maintenance

EPP - Regular, as per requirements, one-year warranty only.

SECTION XV MECHANICAL

a) - Heating & Air-Conditioning Systems

C/C - Roof top units for warehouse with heating and cooling coils;

- Loading dock propane radiant heat;

- Roof top units for office/general areas with heating and cooling coils plus perimeter electric baseboard;

EPP - Roof top units with heating & cooling capabilities for warehouse; Oil fired radiant heat is used in the loading dock;

- Roof top units for office/general area with separate hot water heat for perimeter offices.

. . . 6.

b) - Heat & Cooling Controls

C/C - Perimeter offices all separate thermostats

EPP - Perimeter offices zoned thermostats

c) - Energy Analysis

C/C - Approximate cost $200,000 per year *

EPP - Approximate cost $143,000 per year *

* See attached consultant's report.

d) - Insulation

C/C - Changed type of insulation to reduce maintenance and further reduce sound transmission.

EPP - Supplied insulation to meet specifications.

e) - Sprinklers

Schedule 10 pipe to be used by both proponents

C/C - Will put system in computer room, as recommended by our suppliers.

EPP - Computer room includes standard system.

SECTION XVI ELECTRICAL

a) - Future flexibility

C/C - Each light fixture has an additional 8' of cable to allow for future relocation, very useful for future warehouse layouts.

EPP - No additional cable; future changes will be at N.S.L.C. expense.

A81

THE NOVA SCOTIA LIQUOR COMMISSION

INTERDEPARTMENTAL MEMO

TO: General Manager & Chief Executive Officer

FROM: Executive Director-Corporate Services

SUBJECT: Information-Public Accounts DATE: June 19, 1990

FILE: Misc.- From Ex. Director

Attached is the information requested in paragraph (b) of your memo dated June 13/90.

Please note, these statistics are based on information dated March 31, in each of the past four years.

If you have any further questions, please let me know.

B. M. O'Toole, for:
L. A. Weagle
LAW:bot
cc:

JUN
General Manager & Chief Executive Officer

THE NOVA SCOTIA LIQUOR COMMISSION

RE ADMINISTRATION DEPARTMENT	1987	1988	1989	1990
Administration-Permanent	17	17	17	17
dministration-C.W.O.B..	1	1		
Stores- Managers/Asst.	151	155	158	155
tores- Clerks Permanent	339	323	316	323
Stores-C.W.B.	57	62	79	92
Stores-C.W.O.B.	240	221	207	215
TOTAL	805	779	777	802

APPENDIX IX -
Department of Government Services

Wednesday, June 13, 1990
9:30 a.m. to 11:30 a.m.

Location: Legislative Chamber
Province House

Attendance:

Dr. William Gillis, M.L.A., Chairman
Hon. George Archibald
Hon. Ronald Giffin, Q.C.
Hon. G. David Nantes
Vincent J. MacLean, M.L.A.
Alexa McDonough, M.L.A.

Substitutions:

Marie Dechman, M.L.A. -FOR- Hon. Brian Young
Hon. George Moody -FOR- Hon. Donald MacInnes
Bernard Boudreau, M.L.A. -FOR- Ross Bragg, M.L.A.

Committee Secretary:

Dianne M. Stillman

Witnesses:

Representing the Department of Government Services

Mr. Darrell Hiltz
Deputy Minister

Mr. John MacLean
Director of Property and Operations

Mr. Michael Zareski
FORMER Deputy Minister

COMMITTEE BUSINESS

The Chairman opened the meeting and advised the Committee that the witness had previously stated his preference to defer directly to the Members' questions, rather than to make an opening statement.

Nova Scotia

Department of Government Services

Office of the Deputy Minister

PO Box 54
Halifax, Nova Scotia
B3J 2L4

902 424-2901
Fax 424-0500

Our file no:

July 25, 1990

Dr. J. William Gillis, MLA
Chairman
Public Accounts Committee
Province of Nova Scotia
Halifax, Nova Scotia

Dear Dr. Gillis:

At the June 13, 1990 meeting of the Public Accounts Committee, I undertook to supply certain information in response to questions from Committee members. I am pleased to provide the Committee with the following:

Invitational tender:
(Mr. Vincent MacLean, Page 307)

Invitational tenders for snow removal at the Law Courts Building (Spring Garden Road) and Maritime Museum of the Atlantic were sent to the following firms:

G. M. Kelly Contracting Ltd.
Edmonds Bros. Landscaping Services
B. H. Fancy Construction Ltd.
Kaizer Construction and Services Ltd.
G and R Kelly Enterprising Ltd.

Space required for expanded programs
(Mr. George Moody, Page 330)

The enclosed material lists, by year, the amount of new or additional space approved for new and expanded programs over the past five years.

.../2

**Lease-purchase assessment
(Ms. Alexa McDonough, Page 331)**

The major considerations in assessing the lease-purchase proposals for the Joseph Howe Building and One Government Place and for future lease-purchase proposals are outlined below:

- Lease-purchase proposals must meet the same criteria used to assess leases without purchase options. These criteria prescribe specific architectural, mechanical and electrical standards.
- Future payments under the lease-purchase proposal are discounted to their present value and compared to the estimated market value of the property.
- The property must be able to maintain its value as a long-term investment.

**Payments to Mr. Mark Cleary
(Ms. Alexa McDonough, Page 348)**

The Department has reviewed its records from the beginning of the Province House restoration project and there have been no payments to Mr. Mark Cleary or his legal firm.

**Vacant space
(Mr. Vincent MacLean, Page 349)**

The Department has reviewed the properties under lease at June 1990 and at that time all space was occupied.

Yours truly,

D. D. Hiltz
Deputy Minister

Encl.

DEPARTMENT OF GOVERNMENT SERVICES
INCREASES IN LEASED SPACE
REQUIRED BY PROGRAM EXPANSION
APRIL 1986 to MARCH 31, 1990

Department	Program	Square Feet
1985-86		
Health & Fitness	Drug Dependency, Amherst	250
Transportation	Registry of Motor Vehicles, Halifax	640
Attorney General	Probation Office, Truro	400
Health	Drug Dependency, Metro Office	1,242
Attorney General	Prosecutor's Office, Shelburne	450
Attorney General	Court Facilities, Truro	1,500
Development	Regional Office, Port Hawkesbury	350
Attorney General	Court Facilities, Bridgewater	600
Education	Additional Space, Bridgewater	600
Health	Regional Office, New Glasgow	900
Tourism	Additional Space, Halifax	915
Attorney General	Crown Prosecutor & Correctional Services, Sydney	5,562
Municipal Affairs	Halifax City Regional Assessment, Additional Space	900
1986-87		
Attorney General	Provincial Judge, Truro	1,300
Health	Community Health, Kentville	1,100
Lands and Forests	Reforestation, Truro	2,000

Community Services	Family Court, New Glasgow	1,600
Attorney General	Crown Prosecutor, Yarmouth	470
Community Services	Family Court, Dartmouth	1,537
Attorney General	Crown Prosecutor, New Glasgow	110
Attorney General	Crown Prosecutor, Dartmouth	800
Community Services	Family Court, Kentville	1,548
Speaker's Office	Donald Marshall Inquiry	3,500
Attorney General	Correctional Service, Digby	150
Attorney General	Correctional Service, Inverness	150
Lands & Forests	Additional Space, Halifax Torrington Place, Burnside	800

1987-88

Community Services	Family Court, New Glasgow	2,000
Environment	Laboratory, Sydney	500
Lands & Forests	Geographical Information Service, Truro	3,700
Health	Shubenacadie	280
Municipal Affairs	Legal Services, Halifax	300
Attorney General	Correctional Services, Shelburne	600
Finance	Tax Commission, Sydney	400
Speaker's Office	Health Care Commission	3,500
Finance	Tax Commission	800
Development	Small Business Centres Sydney, Yarmouth, Truro	5,500

Attorney General	Correctional Services, Antigonish	376
Attorney General	Provincial Court, Amherst	14,000
Attorney General	Provincial Judge, Annapolis Royal	850
Community Services	Dartmouth District Office	4,000
Lands & Forests	Additional Space, Halifax	1,873
Attorney General	Correctional Services, Annapolis Royal	285
Attorney General	Crown Prosecution, Digby	650
Attorney General	Criminal Injuries Compensation, Halifax	300
Municipal Affairs	Additional Space, Halifax	3,900
Fisheries	Fisheries representatives, Granville Ferry Little Dover Clark's Harbour Lunenburg Petit De Grat Port Hood	900
Attorney General	Provincial Court, Glace Bay	3,200
Community Services	Additional Space, Windsor	422
Labour	Back Care Program, Glace Bay	150
Community Services	Family Court, Lunenburg	416
Community Services	Family Court, Truro	3,000
Solicitor General	Additional Space, Bedford	600
Community Services	Regional Office, New Waterford	625
Ad. Ed. & Job Train.	Additional Space, Halifax	2,300
Health & Fitness	Additional Space, Bedford	1,000
Lands & Forests	Additional Space, Halifax	575
Environment	Additional Space, Halifax	2,000

Education	Curriculum Development and Learning Disabilities, Halifax	1,400
Lands & Forests	Primary Forests Products Marketing Bd., Dartmouth	1,000
1988-89		
Consumer Affairs	Women's Directorate, Halifax	1,000
Solicitor General	Probation Office, Meteghan	200
Community Services	Family Court, Truro	2,500
Consumer Affairs	Additional Space, Truro	800
Attorney General	Court Reporters, Dartmouth	500
Ind. Trade & Tech.	Technology Transfer, Halifax	430
Municipal Affairs	Assessment Appeal Court, Halifax	800
Public Service	Human Rights, Halifax	1,190
Community Services	Regional Office, Truro	1,553
Community Services	Additional Space, Liverpool	1,400
Housing	Additional Space, Bedford	1,550
Community Services	District Office, Glace Bay	2,000
Consumer Affairs	Rent Review Board, Amusements Regulation Board, Halifax	350
Transportation	Registry of Motor Vehicles	3,000
Leader of the Oppos.	Additional Space, Halifax	5,300
Health & Fitness	Drug Dependency, Glace Bay	280
Health & Fitness	Cape Breton Health Unit, Arichat	660
Solicitor General	Correction Office, Glace Bay	400
Health & Fitness	Drug Dependency, Strait-Richmond	600
Health & Fitness	Regional Office, Margaree Forks	800

Community Services	District Office, Dartmouth	1,500
Transportation	Regional Office, Bedford	2,000
Housing	Additional Space, Dartmouth	4,500
Attorney General	Provincial Court Facility, Shubenacadie	2,400
Attorney General	Provincial Court Facility Glace Bay	4,000
Health & Fitness	Additional Space, Health Services Insurance Commission and Ambulance Subsidy	1,100
Small Business Dev.	Regional Office, Port Hawkesbury	1,300
Ad. Ed. & Job Train.	Community Literacy Facility, Truro	300
Solicitor General	Additional Space, Correctional Services, Bridgewater	1,362
Environment	Additional Space, Halifax	7,950
Community Services	Adult Protection, Handicapped Services, Halifax	1,636
Health & Fitness	Homemaker Agency and Community Health Nurse, Truro	143
Health & Fitness	Coordinator, Home Care Program New Glasgow	1,126
Health & Fitness	Community Health Office, Weymouth	1,190
Health & Fitness	Home Care Program, Meteghan	810
Solicitor General	Correctional Services, Guysborough	120
Sport & Recreation	Regional Representative, Bridgewater	180
Solicitor General	Additional Space, Amherst	263
Attorney General	Temporary Space, Halifax	320

Municipal Affairs	Additional Space, Guysborough	103
Health & Fitness	Regional Office, Shelburne	2,475
Attorney General	Prosecutor, Antigonish	280
Solicitor General	Correctional Services, Shubenacadie	220
Health & Fitness	Atlantic Health Unit, Musquodoboit Harbour	1,488

1989-90

Attorney General	Prosecutor, New Glasgow	180
Community Services	Family and Children's Services Caseworkers, Lunenburg	1,739
Solicitor General	Probation Office, New Glasgow	350
Lands & Forests	District Office, Sheet Harbour	277
Auditor General	Additional Space, Halifax	800
Fisheries	Fisheries Representatives, Yarmouth	200
Attorney General	Provincial Court, Middleton	600
Attorney General	Director of Public Prosecution and Victims of Crime, Halifax	9,100
Education	Teachers' Pension Commission Halifax	1,500
Health & Fitness	Drug Dependency, Amherst	1,200
Health & Fitness	Coordinated Home Care Program, Antigonish	1,125
Health & Fitness	Additional Space, Dartmouth	450
Health & Fitness	International Immunization Clinic Bedford	850

Solicitor General	Probation Office, Annapolis Office	610
Health & Fitness	Health Office, Shubenacadie	430
Health & Fitness	Home Care Program, Sheet Harbour	1,104
Solicitor General	Correctional Services, North Sydney	88
Solicitor General	Correctional Services, Guysborough	250
Lands & Forests	Additional Space, Sherbrooke	155
Community Services	Disabled Persons Comm., Halifax	2,130
Sport & Recreation	Reception and Storage Area, Truro	600
Attorney General	Additional Space, Yarmouth	200
Health & Fitness	Home Care Program, Pubnico	143
Attorney General	Court Facilities, Shubenacadie	700
Attorney General	Family Court, Antigonish	2,400
Public Service	Youth Secretariat, Halifax	1,200
Community Services	District Office, North Sydney	2,450
Lands & Forests	District Survey Office, Truro	500
Solicitor General	Correctional Services, Sheet Harbour	200
Solicitor General	Fine Options Office, Port Hawkesbury	1,000
Ad. Ed. & Job Train.	Vocational Assessment Centre, Truro	2,500
Consumer Affairs	Additional Space, Antigonish	100
Liberal Caucus Off.	Additional Space, Halifax	2,400

APPENDIX X -
Provincial Tax Commission
Department of Finance

Wednesday, September 26, 1990
9:30 a.m. to 11:30 a.m.

Location: Legislative Chamber
Province House

Attendance:

Dr. William Gillis, M.L.A., Chairman
Hon. George Archibald
Hon. Ronald Giffin, Q.C.
Ross Bragg, M.L.A.
Alexa McDonough, M.L.A.

Substitutions:

Leroy Legere, M.L.A. -FOR- David Nantes, M.L.A.
Marie Dechman, M.L.A. -FOR- Hon. Brian Young
Al Mosher, M.L.A. -FOR- Hon. Donald MacInnes
Jack Hawkins, M.L.A. -FOR- Vincent MacLean, M.L.A.

Committee Clerk:

Dianne M. Stillman

Witnesses:

Representing the Provincial Tax Commission:

Mr. Eric Lavers
Provincial Tax Commissioner

Representing the Department of Finance:

Mr. Allan Manuel
Deputy Minister

COMMITTEE BUSINESS

The Chairman opened the meeting and invited the witnesses to make opening comments. The witnesses deferred to the Members' questions.

Nova Scotia

Department of Finance

Memorandum

FROM: Eric L. Lavers, Provincial Tax Commissioner

TO: Legislative Committee on Public Accounts

DATE: October 31, 1990

RE: Write-Offs to March 31, 1990 - Health Services Tax Act

//

As requested at the Public Accounts meeting on September 26th., 1990, the following information is provided:

Category	Accounts Written Off	Total
$0 - $1,000	164	$ 51,790
$1,001 - $5,000	104	271,721
$5,001 - $15,000	62	543,256
$15,001 - $25,000	21	421,969
$25,001 - $50,000	13	394,957
$50,001 - & Over	6	452,951
	370	$2,136,644

ELL/sam

Eric L. Lavers

ERIC L. LAVERS

APPENDIX XI -
Business Capital Corporation
Small Business Development Corporation

Wednesday, October 31, 1990
9:30 a.m. to 11:30 a.m.

Location: Legislative Chamber
Province House

Attendance: Dr. William Gillis, M.L.A., Chairman
Hon. Ronald Giffin, Q.C.
Vincent J. MacLean, M.L.A.
Alexa McDonough, M.L.A.

Substitutions:

Leroy Legere, M.L.A. -FOR- Hon. George Archibald
Marie Dechman, M.L.A. -FOR- Hon. Brian Young
Hon. Ronald Russell -FOR- Hon. Donald MacInnes
Al Mosher, M.L.A. -FOR- David Nantes, M.L.A.
Richard Mann, M.L.A. -FOR- Ross Bragg, M.L.A.

Committee Clerk:

Dianne M. Stillman

Witnesses:

9:30-11 a.m.- **Representing the Business Capital Corporation:**

Mr. Norman MacNeil, President and C.E.O.
Mr. Robert Shaw, Chairman of the Board

Representing the Small Business Development Corporation:

Mr. Douglas Giannou, Executive Director
Mr. Robert Dexter, Chairman of the Board

11-11:30 a.m.- **Representing the Provincial Tax Commission:**

Mr. Eric Lavers, Provincial Tax Commissioner

Representing the Department of Finance:

Mr. Allan Manual, Deputy Minister of Finance

COMMITTEE BUSINESS

The Chairman opened the meeting by introducing the witnesses and inviting the Members to begin questioning. He announced also, that the last 30 minutes of the meeting would be devoted to a continuation of the discussions of September 26, with the Provincial Tax Commission.

Nova Scotia

Business Capital Corporation

World Trade and
Convention Centre
1800 Argyle Street, Box 519
Halifax, Nova Scotia
Canada B3J 2R7

902 424-6488
Fax 902 424-6823

November 19, 1990

Mr. William Gillis
Chairman
Public Accounts Committee
House of Assembly
Province of Nova Scotia
Halifax, Nova Scotia

Dear Mr. Gillis:

I enclose the following information as requested by the Committee during the Business Capital Corporation's appearance on October 31, 1990.

1. Details of Industrial Estates Limited Write-offs - March 31, 1990 $21,575,884 (Mr. MacLean - Page 389)

Industrial Estates Limited	
Atlantic Argus Limited	331,808
Canflock Industries	3,820,338
Crossley Carpet Mills Limited	4,099,538
Hermes Electronics	355,013
Forceten Enterprises Limited	1,948,000
MacGregor Bedding Inc.	750,854
Margaree Windows	522,805
Mulgrave Pumps & Strainers	323,192
Suttles and Seawinds	43,958
Adjustment, Prior Years Accounting Method	593,564
	12,789,070
Provision for possible future losses	8,786,814
Total	21,575,884

...../2

Printed on paper that contains recycled fibre

2. Outline of Information to be incorporated in a proposal for financing. (Attachment "A") (Ms. McDonough - Page 396)

3. List of loans authorized by Cabinet but not referred to the Business Capital Corporation for a recommendation. (Attachments "B" and "C") (Mr. Mann - Page 408)

4. List of loans that were authorized through a Department and the appropriate information not supplied to the B.C.C. (Mr. Mann - Page 409)

   Five Town Welding
   Westray Coal
   A.F. Theriault & Sons
   Pictou Industries
   Dominion Biologicals
   Larsen Parkers
   Future Energy Products
   Cheticamp Fish Co-op
   Bedford Waterfront Development Corporation

I trust this is the information requested by the Committee.

Yours sincerely,

N.S. MacNeil
President and C.E.O.

NSM/bmw
Attachments

bcc Hon. D.W. Cameron

"A"

Nova Scotia

Business Capital
Corporation

World Trade and
Convention Centre
1800 Argyle Street, Box 519
Halifax, Nova Scotia
Canada B3J 2R7

902 424-6488
Fax 902 424-6823

NOVA SCOTIA BUSINESS CAPITAL CORPORATION

The Nova Scotia Business Capital Corporation is an Agency of the Government of Nova Scotia established to encourage and promote business development and employment opportunities in Nova Scotia. It is managed by a Board of Directors comprised of leading Nova Scotia business people.

The Corporation administers programs under the following Acts:

- Nova Scotia Business Capital Corporation Act
- Industrial Estates Limited Act
- Industrial Development Act

ELIGIBILITY

Eligible proposals must involve financial assistance greater than $3 million, or financial assistance of less than $3 million when the fixed assets of a company or related company, combined with the project size, are greater than $5 million.

Businesses in all sectors of the economy are eligible - agriculture, forestry, fisheries, mineral, manufacturing, service and tourism.

ASSISTANCE AVAILABLE

Financial assistance is available by way of grant, loan, loan guarantee, the purchase or guarantee of bonds, debentures, notes or other debt obligation and the purchase or acquisition of any common or preferred shares and other equity securities.

Printed on paper that contains recycled fibre

Financial assistance may be provided for the following purposes:

1) to purchase and make improvements to land;

2) for the construction of new buildings and other structures, or the expansion or renovations to existing buildings and other structures and the purchase or lease of buildings and other structures;

3) for the construction, purchase or lease of machinery, equipment, furnishings and/or other assets;

4) to assist in the construction, acquisition, development or operation of hotels, motels, tourist homes, cottages and cabins, tourist resorts, camping and trailer parks, marinas, restaurants, gift shops and other tourist facilities and attractions which in the opinion of the Board are desirable for the promotion and development of tourism;

5) working capital in exceptional circumstances.

TO APPLY

The B.C.C. does not have a formal application form nor does it use standard forms for internal reviews. The following can serve as an outline of information to be incorporated into a proposal for financing:

1. Company

- outline of company's history
- existing plants
- directors and share distribution
- listings of bankers, solicitors, auditors
- resumes of principals and key management personnel (parent company and Nova Scotia project)

2. Products/Services (existing and proposed)

- sales history (month, region, product - 3 year)
- description (product brochures)
- patents (pending and applied for)
- competitive advantages (e.g. design, service, modification, technology)

3. Market

- size, share, location (existing and projected)
- list of principal competitors
- potential competitors' reaction

4. Marketing Plan (first 3 years)

- sales estimates
- verification of sales estimates (e.g., letters of intent from potential customers)
- marketing management (organization, experience)
- advertising and sales promotion
- buyers, distributors, end users

5. Manufacturing

- raw materials (sources, volumes, advantage)
- manufacturing processes and technologies
- production layout
- quality control
- plant (location, site requirements)
- building (plans, specifications, construction estimates, or quotes)
- equipment (new and existing; cost estimates or quotes)
- employment (first 3-year projections by numbers, skill, wage and salary rates)

6. Financial

- 3 year audited financial statements (including affiliates if company in existence or if shareholders own one or more other companies)
- capital requirements of project (estimate of land, building, equipment, working capital and start-up costs)
- sources of financing of capital requirements
- financial projections:

  (1) pro forma balance sheets and income statements for years 1 to 3

  (2) cash flow: monthly year 1, yearly for years 2 & 3

  Other information should also be included, if appropriate, such as:

  - appraisal reports (equipment)
  - franchise agreements
  - grant approvals or applications (e.g. ACOA)
  - lease agreements
  - feasibility studies
  - timing of project (start-up)
  - present or threatened litigation affecting the company or major principals

7. Engineering and Environmental Concerns

- engineering studies
- engineering and/or architectural services
- proposed design method (pre-design, consultant, design build, etc.
- tendering system (bid depository, open, etc.)
- dangerous goods and/or hazardous waste
- expected effluent and proposed treatment

8. Consent

- Consent to the Business Capital Corporation's contacting customers, suppliers, bankers and accountants in connection with application for financing

Further information may be obtained from the Corporation's office at:

Nova Scotia Business Capital Corporation
7th Floor, World Trade and Convention Centre
1800 Argyle Street, P.O. Box 519, Halifax, N.S. B3J 2R7
Telephone: (902) 424-6488 Fax: (902) 424-6823

"B"

DEPARTMENT OF INDUSTRY TRADE AND TECHNOLOGY

INDUSTRIAL EXPANSION FUND

LOANS AND GUARANTEES AUTHORIZED

APRIL 1, 1988 - MARCH 31, 1990

FISCAL YEAR 1988-89	OIC NUMBER	TYPE	AMOUNT AUTHORIZED
A.F. Theriault & Sons	88-1145	Shipyard Assistance Program	$ 111,947
Dominion Biologicals	88-1130	Shares	1,000,000
Michelin Tires	88-1039	Loan	48,300,000
Westray Coal	88-1010	Loan	12,000,000
Westray Coal	89-136	Loan	8,000,000
Pictou Industries	88-640	Shipyard Assistance Program	1,021,735
Halifax-Dartmouth Industries	88 721	Guarantee	22,500,000
Waterfront Developments	89-344	Guarantee	1,000,000
Waterfront Developments	88-121	Guarantee	8,000,000
Five Town Welding	88-1434	Guarantee	200,000
Bedford Waterfront Development Corp.	88-856	Guarantee	10,000,000
Total		11	$112,133,682

FISCAL YEAR 1989-90			
Larsen Packers	89-1317	Loan	7,000,000
Larsen Packers	89-1317	Grants	5,100,000
Amherst Aerospace	89-1350	Loan	2,500,000
Spa Springs Park	89-1331	Loan	885,400
Pictou Industries	90-99	Shipyard Assistance Program	19,000
Comeau Seafoods	90-302	Loan	1,405,000
VGM Capital Corp.	89-671	Guarantee	8,750,000
Total		7	$25,659,400

"C"

DEPARTMENT OF SMALL BUSINESS DEVELOPMENT

INDUSTRIAL LOAN FUND

LOANS AND GUARANTEES AUTHORIZED

APRIL 1, 1988 - MARCH 31, 1990

FISCAL YEAR 1988-89	OIC NUMBER	TYPE	AMOUNT AUTHORIZED
Fibrepipe Inc.	88-393	Loan	$ 160,000
Trailsman Motel	88-394	Loan	240,000
Cape Breton Chemicals	88-402	Loan	4,800,000
Advanced Materials	88-507	Loan	1,500,000
Comeau Seafoods	88-1038	Loan	1,405,000
Cobi Foods	88-1279	Loan	6,000,000
Larsen Packers	88-375	Loan	2,300,000
Future Energy Prod.		Loan	35,000
ACA Co-op Assoc.	88-860	Guarantee	1,000,000
Cape Breton Chemicals	88-401	Guarantee	2,000,000
Total		10	19,440,000

FISCAL YEAR 1989-90			
New Glasgow Foundry	89-522	Loan	125,000
Reid Atlantic Ltd.	89-730	Loan	200,000
Archibald Drilling	89-1136	Loan	450,000
Tartan Downs Ltd.	89-1352	Loan	994,500
Tartan Downs Ltd.	89-1352	Shares	2,333,000
Atlantic Winter Fair	89-879	Loan	270,000
Peter Pan Motel	89-757	Loan	170,000
Digby Aircraft Storage	89-1481	Loan	180,000
Village Developments	90-192	Loan	320,000
Ocean Fresh Sea Prod.	90-275	Loan	400,000
Total		10	$5,442,500

APPENDIX XII -
Report of the Steering Committee

Excerpt: Report of the Steering Committee

Proposals

The Steering Committee, after careful deliberation, respectfully suggests that the Standing Committee on Public Accounts adopt the following procedures, to enable it to function in a more effective and efficient manner:

A. MANDATE

"....to hold the government (including crown corporations and other agencies) accountable to the Legislature for the administration of public assets and spending of public funds."

B. ROLE OF A SUB-COMMITTEE

A sub-committee shall be established by the Public Accounts Committee to undertake the task of drafting reports, including recommendations. These reports, would require the approval of the full PAC before being tabled.

C. CONDUCT OF MEETINGS

Meetings/Hearings:

-the Chairperson shall be responsible for calling meetings/hearings to order.

-the subject will be introduced by the Chairperson;

-the witnesses, including the Auditor General, shall be given the opportunity to make some brief remarks about the matter prior to members asking questions;

-members of the Committee shall ask questions in some predetermined order for a predetermined period of time;

-time limits will be used as a guide by members and not strictly enforced when questioning witnesses. In order for this approach to be successful, members shall cooperate and agree not to take up unreasonable amounts of time, and shall allow other members to join in the questioning at any time on the same lines. Members shall have the opportunity to bring all productive lines of questioning to their conclusion;

-all witnesses shall be given the opportunity to fully respond to questions and be given the option of providing answers in writing at a later date if they do not know the answers to questions;

-members shall refrain from lengthy debates of issues at public hearings as the main purpose is to obtain information by questioning witnesses;

-matters arising during public hearings requiring a vote or lengthy debate will be set aside until the hearing is over.

-where appropriate, the Chairperson shall summarize key points brought out in the hearing, and shall highlight the content and objectives of the next meeting.

Motions:

-motions for major items will be deferred to the next meeting, to allow members time to think about them, unless the Committee decides otherwise.

-motions will always be used when requesting the Auditor to conduct an investigation, inquiry, or review of some matter.

-the vote on motions will only be recorded when requested.

D. ROLE OF THE AUDITOR GENERAL

-Relationship with the PAC

A good working relationship will make it easier for the Committee to do its job.

Therefore,

-the Auditor General, or his/her designate, shall be invited to be present at all hearings of the Committee.

-the Committee shall be able to ask the Auditor General to review and report back on items that are not specifically related to his/her report. Such requests, however, must not interfere with the Auditor's primary responsibilities.

SUGGESTION: The Auditor General Act should be revised to reflect the above procedures.

-detailed agendum will be prepared by the Chairman, in consultation with members from each party, in advance of the Auditor General's appearance before the Committee, to allow him/her to adequately prepare.

E. APPOINTMENT AND ACCOUNTABILITY OF THE AUDITOR GENERAL

Appointment of Auditor General:

The Auditor General shall be appointed by the following process:

The key approach with respect to the hiring process for the Auditor General should be that the manner is professional and non-partisan.

Because the Auditor General is responsible to scrutinize elected and staff persons in government, there should be no impression of influence in the hiring process.

Because the position is a senior one and requires a C.A. with leadership and interpersonal skills, it is a challenge to fill. The person needs to be highly motivated and have a practical understanding of government.

The Executive Council shall retain a search/ selection/recruitment firm with a major professional stature to:

a) prepare needs description
b) place advertisement
c) scrutinize preliminary candidates
d) prepare short list

Have all-party agreement on:

-The general composition of a Selection Committee of 3 to 5 persons.

-Have this Committee, together with the professional firm, referred to above, finish screening, conduct interviews and make a recommendation.

-The name of the recommended person should be taken to the Speaker and Leaders of all recognized Parties for discussion on a non-partisan basis.

-Appointment shall be pursuant to Section 3 of the Auditor General Act.

Appointment of the Deputy Auditor General:

The same process will be followed in the appointment of the Deputy Auditor General, with the exception that the Auditor General shall take part in the interview process.

Request for Audit:

The Auditor General Act will clearly define the right of the Public Accounts Committee to request the Auditor General to undertake in-depth audits or reviews. Other committees of the Legislature shall be given the right to refer their concerns for special audits to the Public Accounts Committee for consideration. Such requests will not take precedence over the Auditor General's primary responsibilities.

SUGGESTION: The Auditor General Act should be revised to reflect the above procedures.

F. COMMITTEE REPORTS

-the Committee will report annually to the House.

-the report will contain conclusions and recommendations.

-the report will contain a specific request for the government to table a comprehensive response.

-the Committee will follow-up on its recommendations to see that they are properly implemented.

G. FOLLOW-UP

To assist in following up on recommendations, the Public Accounts Committee shall have the right to draw upon the expertise of the Office of the Auditor General.

The Auditor General would report back to the Committee, within a reasonable amount of time, on the extent, if any, of the implementation of recommendations.

The Public Accounts Committee would then decide to request that an in-depth audit be performed by the Auditor General or that witnesses should be recalled, or both.

SUGGESTION: The Auditor General Act should be revised to reflect the above procedures.

H. RESOURCES

In order to function in a responsible and efficient manner, the Public Accounts Committee should be afforded the necessary resources.

Exclusive jurisdiction over the resources of the Public Accounts Committee (and if deemed necessary, other Legislature Committees) shall be given to the Internal Economy Board.

Staff-

Due to the nature and complexity of its work, the Public Accounts Committee requires the equivalent of at least one full-time staff person - an increase of 50% over its current resources.

Currently, the Legislature Committees Office is experiencing a staff shortage and, under the present circumstances, cannot provide one full-time person for the use of the Public Accounts Committee. (See Appendix II)

The Office of the Speaker is asked to immediately refer this matter to the Internal Economy Board.

Budget-

The Public Accounts Committee should be provided with the funds necessary to complete its mandate in a responsible manner.

A budget proposal shall be prepared annually by the Public Accounts Committee for the approval and implementation by the Internal Economy Board.

Additional Requirements -

At the Public Accounts meeting of November 21, the Auditor General stated that his office would not require additional staff to accommodate the needs of the Public Accounts Committee.

It may be necessary, however, for the Public Accounts Committee to periodically draw upon the expertise of consultants on a variety of complex issues. Funds should be allocated for this eventuality.

Excerpt:
Auditor General's Report on
Effectiveness of PAC

SUBMISSION TO
PUBLIC ACCOUNTS COMMITTEE
EFFECTIVENESS OF THE COMMITTEE

SEPTEMBER, 1990

MATTERS FOR COMMITTEE CONSIDERATION

Introduction

In this section, specific procedural matters are discussed and suggestions presented with a view to enhancing the effectiveness of the Public Accounts Committee. Insofar as possible each of these areas will include consideration of:

- suggested practices from the Guidelines for Public Accounts Committees in Canada;
- background and/or practices in Nova Scotia;
- the practices in other Provinces; and
- concerns and specific recommendations from the Nova Scotia Auditor General for the Committee's consideration.

The areas for consideration by the Committee are discussed in the following paragraphs under five captions.

A Basic Philosophy
Role and Responsibilities
Committee Meeting Format
Committee Reports
Follow-Up

A Basic Philosophy

In reaction to the discussion at the April 25, 1990 meeting of the Nova Scotia Public Accounts Committee, certain considerations are introduced prior to the discussion of specific procedural and structural matters. These considerations could be termed "A Basic Philosophy" of the Committee, and provide a foundation to the following sections of this submission.

Essential to a course of action directed towards improvements in the effectiveness of the Committee, must be the development of a policy or role statement of what the Committee views as its mission or goals. It would seem that the essentials of such a policy or role statement are as Du Cann has stated "to construct recommendations directed towards improvements in the system."

If this, upon reflection by the Committee, is accepted as its essential role, then discussion of matters brought before it should largely focus on achieving a point of view which facilitates recommendations to either government itself or to the departments or agencies concerned.

Therefore, it might be suggested that the discussion of specific topics dealt with by the Committee should be handled in quite a different manner than the present system which allocates time to members of the Committee with no regard for the specific topics being discussed. The Committee would have to decide for most, but not necessarily all meetings, that specific topics are to be reviewed by the Committee within a structure which comprises:

- background information on the matter at issue, based upon the Auditor General's Annual Report and/or meetings with the parties concerned;
- indication of further information required by the Committee in order to establish a point of view directed towards conclusions and recommendations;
- enunciation of a point of view or conclusion regarding the matter which may or may not be in concert with that expressed by the Auditor General, and may be modified by further discussions held with responsible officials of the entities concerned;
- development of appropriate recommendations to be included in the Committee's Report regarding the

matter under discussion, which may be in concert with those of the Auditor General or modified by discussions with responsible officials; and

- a determination of what process the Committee shall follow with respect to being informed of the implementation of its recommendations.

Role and Responsibilities

The guidelines for Public Accounts Committees in Canada in its chapters on the Role and Responsibilities of the Public Accounts Committee, contain the following statements.

2.1 The final link in the accountability process regarding spending and accounting for public money is provided by the Public Accounts Committee.

2.3 On the non-partisan nature of Public Accounts Committee:

> "The Public Accounts Committee should operate in a non-partisan fashion if it is to effectively conduct a searching and rigorous scrutiny of government expenditures".
>
> "If Committee members try to bring partisan politics into the work of the PAC, it will be disruptive, and will reduce the PAC's effectiveness and credibility".

2.4 The role of the Public Accounts Committee is to hold the government accountable for its spending of taxpayers money and its stewardship over public assets.

2.5 The Public Accounts Committee should not concern itself with the policies of government or with determining if they are good or bad.

2.6 Public Accounts Committees should hold public servants accountable for their performance of the administrative duties and implementation activities which have been delegated to them. Public servants should remain accountable for their performance in a particular position, even after they have left the position. It is appropriate that public servants be held accountable for their decisions and actions, and it is not acceptable for them to be able to use the principle of ministerial responsibility when they are asked to account for their decisions and actions.

2.7 The PAC and the auditor must work together to achieve maximum accountability to the Legislature. The Committee and the Auditor should maintain an effective working relationship with each other; it will provide benefits to both the Committee and the Auditor.

2.8 The work of the PAC can have a positive impact for government. By making employees aware that they are accountable, the PAC ensures that they give more consideration to what they do, and make fewer decisions that result in waste and inefficiency.

2.8 If a greater sense of responsibility to the Legislature is to be fostered among public servants, it is essential that the work of the PAC be credible and fair. If the PAC is perceived as sharing common goals of improved financial management and control within the central agencies and the managers of ministeries, its effectiveness in achieving more value for the taxpayers dollar will be far greater than if it is seen as a partisan forum bent on embarrassing the government of the day.

3.1 The Public Accounts Committee shall prepare a written description of their mandate. This description should contain general statements of the purpose and function of the Committee and as well outline the things that the Committee is responsible for.

3.1 The Public Accounts Committee's mandate is to hold the government (including crown corporations and other agencies) accountable to the Legislature for the administration of public assets and spending of public funds.

To fulfill this function the Committee investigates, and reports to the Legislature on the following:

- the reliability and appropriateness of information in the Public Accounts to provide a full and fair accounting of operations and financial transactions;
- the collection of and proper accounting for revenues;
- the maintenance of expenditures within the limits and for the purposes authorized by the legislature;
- the adequacy of safeguards to protect assets from loss, waste and misappropriation;
- the regard for economy in the acquisition of goods and services;
- the regard for efficiency in operations;
- the effectiveness of programs in achieving their stated objectives;
- matters reported in the Auditor General's reports.

In Nova Scotia there is no written description of the Committee's mandate and as the Chairman of your Public Accounts Committee advised the Council's Conference in July 1990, this should be done. At present there are only three Provinces in Canada that have a formal written mandate - British Columbia, Ontario and Quebec.

It would not seem to be an inappropriate assessment that the Nova Scotia Public Accounts Committee does not operate in a non-partisan fashion. It is acknowledged by the auditors of the other Provinces, in their assessment of discussions before their own Committees, that there is political motivation, at least some of the time. With respect to the partisan nature of the operations of Public Accounts Committees, the Chairman of the Ontario Committee, in discussion before the Council's Annual Conference in 1989 and repeated by him in 1990 stated that:

> "I think it's probably the most important of all the recommendations. The Opposition Parties have to accept that Public Accounts is not an opportunity to do mudraking or splashing the government ....
>
> "Well, because there are other Committees in which you can do that, and if you start doing that, then of course the Committee breaks down.
>
> The government members, on the other hand, have to realize that they are there to see that there is efficiency in government and they're not there to be overly protective of the government."

It is my suggestion that the Committee consider the following:

- Preparation of a written mandate and a list of responsibilities, not dissimilar to those described in Chapter 3.1 of the Guidelines.
- The Committee attempt by means of meeting guidelines, composition of the Committee, and use of the Auditor to focus on a more structured approach to matters under discussion, and to reduce insofar as possible the political-partisan nature of its deliberations.

Rights of Committee

In Chapter 4 of the Guidelines for Public Accounts Committees in Canada are three items which should be considered by the Committee in its deliberations respecting responsibilities. These are:

4.3 The Public Accounts Committee shall have the right to request, on its own initiative, the Auditor General to perform specific reviews or tasks.

4.4 The Public Accounts Committee shall be required to report to the Legislature annually, have the report debated in the House and have the right to request government to table a comprehensive response to the Committee's report within 120 days.

4.9 the Public Accounts Committee shall have the right to provide parliamentary scrutiny of the Auditor's office by:

- reviewing the estimates of the Auditor;
- reviewing the expenditures and revenue accounts of the Auditor General; and
- having input into the selection of the Auditor.

Request for Audit - With respect to the PAC having the right to request the audit office to undertake indepth audits or reviews for them, it should be noted that only five Provinces in Canada have this right according to the audit act of the jurisdiction. Nova Scotia is not one of these Provinces, and although the audit office has, on occasion, undertaken indepth reviews at the request of the Committee, this has been infrequent with only two such requests in the last 15 years.

Accordingly, should the Committee believe that to assist in the performance of its responsibilities on behalf of the Legislature, that this right should be part of the enabling legislation of the Auditor General Act, then consideration must be given to recommending to the Legislature that an amendment to the Audit Act be made to provide for such.

Report to Legislature - Concerning the Committee's Report to the Legislature, it would seem that the Committee should be required to prepare an annual report. Currently there is no such formal requirement, although the Committee has after many years absence, produced reports for the past three years. Further comments on the contents of the Report are dealt with in a following section of this submission.

However, note should be made of the point of view expressed by several Provinces that there should not necessarily be a debate of the Report in the House. It is claimed this would result in an unnecessary repetition of the issues and positions put forth in Committee, and such debate may also compromise the non-partisan positions agreed to in the Committee forum.

Independence of Auditor General - Regarding parliamentary scrutiny of the Office of the Auditor General, this is a subject which has been mentioned in each of my past six Annual Reports, usually under the subject of required amendments to the Auditor General Act. To ensure the independence of the Audit Office in its activities on behalf of the Legislature it serves, there must be assurance that there is not interference with respect to such matters as budgetary requirements and administrative processes by the Departments of Government, which are also on a periodic basis subject to review by the Audit Office. Accordingly, the following has been recommended by this Office:

- There be a degree of participation by some type of all-party representation in the appointment of both the Auditor General and the Deputy Auditor General.
- There be a provision for a Committee of the House, rather than the Government, to have exclusive jurisdiction in administrative, budgetary, and related matters to ensure that the independence and proper functioning of the Office is not impaired.
- There be initiated independent reviews of the actual performance of the Office on a periodic basis similar to the professional practice reviews carried out in the private sector, in addition to an independent annual audit of the financial affairs of the Office's expenditures.

The foregoing recommendations with respect to the independence of the Audit Office, to ensure its proper functioning on behalf of the Legislature is not impaired, have been made in recent submissions to Government concerning suggested amendments to the Auditor General Act. It must be gratefully acknowledged that the very significant requests for amendments regarding the right to report upon value-for-money matters, and the right to audit transfer payments were granted by the Legislature in the amendments to the Auditor General Act of June 1, 1988.

However, the suggestions regarding the appointment process, review of the Office's estimates and expenditures, and monitoring of Audit Office performance have not been acted upon. It would seem from an accountability standpoint, with respect to the functioning of the Office itself, all of these warrant serious consideration by the Public Accounts Committee.

Committee Meetings Format

In its Guidelines regarding Committee meetings, the Council has several relevant matters for consideration. These are:

10.1 That a Steering Committee, as recommended in Guideline 9.2 meet in camera to consider such matters as agenda, number and timing of meetings and hearings, witnesses to be called, and the contents and recommendations for inclusion in the Committee's reports.

10.2 There be in camera meetings held by the whole Committee to:

- brief members on subjects the Committee will review;
- draft and approve the Committee's Reports;
- discuss personal matters; and
- relationships with other Committees and key leaders in the Legislature.

10.5 The Auditor General should attend all hearings of the Committee except where it is felt circumstances do not require his presence;

10.8 Suggested principles that could be useful in determining how meetings are to be conducted:

- the subject should be introduced by the Chairman;

- the witness including the Auditor should be given the opportunity to make some brief remarks about the matter prior to members asking questions;

- members of the Committee should ask questions in some predetermined order for a predetermined period of time;

- time limits should be used as a guide by members and not strictly enforced when questioning witnesses. In order for this approach to be successful members should co-operate and agree not to take up unreasonable amounts of time, and should allow other members to join in the questioning at any time on the same lines. Members should have the opportunity to bring all productive lines of questioning to their conclusion;

- all witness should be given the opportunity to fully respond to questions and be given the option of providing answers in writing at a later date if they do not know the answers to questions;

- members should refrain from lengthy debates of issues at public hearings as the main purpose is to obtain information by questioning the witnesses;

-

- other members of the legislature should be permitted to ask questions (either themselves or through a Committee member), however they should not be permitted to debate the issues or vote on matters;
- matters arising during public hearings requiring a vote or lengthy debate should be set aside until the hearing is over and dealt with at an in camera session, if possible; and
- where appropriate, the Chairman should summarize key points brought out in the hearing, and should highlight the content and objectives of the next meeting.

10.10 Minutes of public hearings and meetings should be prepared to record attendance, witnesses heard, subjects discussed, and motions raised. It is noted that this is in addition to verbatim transcripts.

10.11 It is worth noting that the Guidelines suggest that motions made at public meetings and meetings should be set aside and dealt with by the Committee later, and that motions for major issues should be deferred to the next meeting to allow members time to think about them. Motions should also be used when requesting the auditor to conduct an investigation, inquiry, or review of some matter.

Only three Provinces have Steering Committees, the other seven including Nova Scotia do not, although the Chairman has expressed a point of view that Nova Scotia should seriously consider having one.

Six Provinces hold in camera meetings for a variety of purposes such as setting agendas, having briefing sessions, dealing with the Committee's Annual Report, and dealing with particularly sensitive matters. Nova Scotia is among the four Provinces which do not hold any in camera meetings.

The following suggestions warrant consideration by the Committee in its efforts to be more effective in its dealings with matters raised in the Auditor General's Annual Report.

- Preparation of an agenda for meetings with the Auditor General which would indicate the specific subjects to be dealt with, in order to enable the Auditor General and his staff to be better prepared for the specific items, and accordingly service the Committee more effectively.

- The Auditor General should have the opportunity of communicating to the Committee the specific matters which, in his view, warrant deliberation by the Committee. This is necessary in order to effect, if deemed appropriate, a recommendation to either government or departments and agencies concerned.

- To facilitate each of the above two suggestions, it would be well to consider the merits of a briefing session or sessions for the Committee to cover the matters raised in the Auditor General's Annual Report, prior to finalization of the agenda and the scheduling of witnesses to be heard.

- The use of time limits by party, in the Committee meetings, should be reconsidered according to the suggestions in the Council's Guidelines, with a view to:

  - setting variable time limits for discussion of topics according to their importance; and

  - gearing the discussion towards the derivation of conclusions and recommendations by the Committee, rather than having a topic dropped in the middle of a meaningful discussion of it, simply because the time limit has expired.

Committee Reports

The Guidelines for Public Accounts Committees in Canada details seven items as a minimum which are recommended for inclusion in the Committee's Report.

11.2 The Committee's Report should be detailed, comprehensive, and able to stand on its own. It should include at least:

i) a description of the matter the Committee has investigated. In instances where the Committee is investigating a matter contained in the Auditor General's Report, the Auditor's Report paragraph or section should be reprinted or summarized;

ii) a summary of the more significant evidence the Committee has received on each matter;

iii) findings - the Committee should indicate clearly the most significant problems relating to the matters reviewed and express its opinions and conclusions reached on these matters;

iv) recommendations - the Committee should where necessary and possible make recommendations to correct weaknesses and deficiencies it has reviewed. This is the most important part of the Committee's report and will receive the most attention from government and civil servants. When making recommendations it may be best to recommend the results desired from the changes rather than detailed step by step recommendations of exactly what should be done. The details might best be left to experts in the various fields;

v) follow-up activities - the Committee should include in its report a listing of the various matters dealt with in previous years, the recommendations made and the action taken by government, if any. Reporting this serves several useful purposes. It indicates the attention government has paid to Committee recommendations, is a means of highlighting recommendations that have not been implemented and could be useful reference material when the Committee is dealing with a matter similar to one previously reviewed;

vi) role and operations of the Committee - the Committee should set out its mandate and should summarize its procedures and operations. This provides a formal statement of the Committee's role and allows the Committee to report on any changes or innovations in its procedures;

vii) relationship with the Auditor General/Provincial Auditor - it may be useful for the Committee to indicate its relationship with the Auditor General and the input of the Auditor into the Committee's work. This information may clarify the Committee's role and the Auditor's role for those who study the Committee's Reports.

Six of the Provinces in Canada including Nova Scotia produce an Annual Report. Nova Scotia's Annual Report is a rather lengthy one. This is because the Report is a combination of verbatim transcripts, minutes, and attachments submitted to meetings. In this respect, although it contains a good deal of useful information, it is neither a verbatim transcript, an appropriate set of minutes for the meetings as outlined in the Guidelines of the Council, nor an appropriate Annual Report.

It is not an appropriate Annual Report because it does not contain conclusions or recommendations or indication of follow-up expected with respect to the principal matters brought before it for consideration and action by the Legislature and/or government departments and agencies.

Examples of useful Committee Reports are those generated by the Provinces of Ontario, Newfoundland and Saskatchewan. In these Reports there is a brief but clear indication of the matter under discussion, the Committee's conclusions with respect to the matter, and its recommendations.

Since the final link in the accountability process is the Public Accounts Committee, it would seem that on behalf of the Legislature it represents that it must, as the Guidelines indicate, make recommendations to correct weaknesses and deficiencies it has observed. The Guidelines consider this the most important part of the Committee's Report, and any report that does not contain these must be considered seriously deficient.

The Committee will have to address certain administrative matters with respect to its Annual Report and these are as follows:

- Who prepares the Report - should it be the full Committee, a Steering Committee, staff on behalf of the Committee?
- What type of review and approval process will be appropriate for the Report?

- Should the Annual Report be debated in the House or merely tabled?

- What is an appropriate format for the Committee's conclusions on substantive matters, and its recommendations related thereto?

To facilitate preparation of the Committee's Reports, and to assist in the organization of its agenda, the Committee might care to suggest to the Auditor General summaries of matters requiring attention in his Annual Report, and also outstanding matters from prior years' Reports. The introduction three years ago of the section of the Report entitled **Status of Prior Years' Observations and Recommendations** was an attempt on the part of the Auditor General to capsulate for the Members of the Legislature, the status of significant matters from prior Reports.

Follow-Up

In logical sequence to its chapter on Committee Reports, the Guidelines in Chapter 12 deal with follow-up, and include the following suggestions.

12.1 The Committee shall have effective follow-up procedures to determine if action has been taken to implement its recommendations. Effective follow-up procedures by the Committee are necessary to learn what action has been taken on its recommendations, or if they are being ignored by officials.

12.2 Three means of achieving this follow-up are noted:

- having the Auditor do so and report upon it, (in a manner not dissimilar from the previously noted reference to Status of Prior Years' Observations and Recommendations);

- have the Committee perform this task itself provided it has staff available and competent to so do; or

- the Committee require senior officials of departments and agencies to come before it, and outline action they have taken to implement the Committee's recommendations.

An adaptation of the last mentioned option is to have the department or agency prepare an "actions taken" memorandum or report, which the Auditor General's Office could verify on behalf of the Public Accounts Committee.

Only three Committees have, in the view of their Auditors, effective follow-up mechanisms in place. Nova Scotia is among those which do not, and its Chairman indicated to the 1990 Conference that an attempt should be made to do so.

It is my view that appropriate follow-up activities could be introduced for the Committee and provided by the Office of the Auditor General, either in Annual Report form or by separate Report. It is reemphasized a follow-up must be in place in order to complete, on behalf of the Legislature, the accountability cycle for the expenditure of taxpayer dollars and the management of government resources.

* * * * *

Steering Committee

Chronology of Events

House of Assembly
Nova Scotia

Steering Committee
of the
Standing Committee on Public Accounts

Struck: November 21, 1990

Mandate: To study procedural reform relating to the operation of a Public Accounts Committee, and to draw up, after consultation with the respective caucuses, proposals for the future functioning of the Nova Scotia Committee.

CHRONOLOGY

Events leading up to the striking of a Steering Committee to the Standing Committee on Public Accounts.

Report of the Auditor General -
March 31, 1989 / Page 30

> *"The Nova Scotia Public Accounts Committee has not, in my view, functioned as effectively as it might have in recent years, and certainly not in keeping with all of the guidelines of the Canadian Council of Public Accounts Committees....."*

Wednesday, April 25, 1990 -
PAC Meeting
Witness: O. Paul Cormier, Auditor General

Discussion relating to the procedural reform of the Public Accounts Commmittee was initiated by Mr. David Nantes, M.L.A. The Committee agreed that procedural reform was a positive goal and committed themselves to discussing this further with the Auditor General. He was asked to prepare a brief report on the operation of a Public Accounts Committee, complete with suggestions, prior to his next appearance before the Committee. *(See Hansard transcript...pages 67-71)*

November 21, 1990 -
PAC Meeting
Witness: O. Paul Cormier, Auditor General

The Auditor General provided the Committee with his report on the operation of a PAC, a few weeks in advance of the above meeting. (SEE APPENDIX I)

A Motion to strike a Steering Committee to study procedural reform for the Public Accounts Committee was made by Ms. Alexa McDonough, M.L.A., and passed unanimously. (See APPENDIX II)

Members of the Steering Committee:

Dr. Bill Gillis, M.L.A., Chairman
Hon. Ronald Giffin, Q.C.
Hon. Marie Dechman
Alexa McDonough, M.L.A.

(See pages 448 - 454 - Hansard Transcript)

DELIBERATIONS OF THE STEERING COMMITTEE
(All Meetings were Conducted In-Camera)

December 12, 1990 -
Steering Committee Meeting

The Committee met and reviewed material which related to practices carried out in other Canadian jurisdictions. They did a comparison of these practices with the recommendations contained in the Guidelines for Public Accounts Committees in Canada.

Upon the direction of the Committee, the Clerk prepared a working draft of a Report of the Steering Committee to the Standing Committee on Public Accounts.

January 23, 1991 -
Steering Committee Meeting
Witness: O. Paul Cormier, Auditor General

The Committee invited the Auditor General to expand on the suggestions, contained in his report on the operation of a PAC. Also, they sought his advice on several of the points that had arisen at the previous meeting.

As a result of this meeting, and upon the direction of the Committee, the Clerk compiled a revised draft of the Steering Committee Report to the PAC. A copy was sent to the Auditor General for his further input.

February 7, 1991 -
Correspondence
From: The Auditor General

In a letter to the Chairman and Committee, (SEE APPENDIX III) the Auditor General advised

> *"...the proposals in Draft No. 1 under captions A to G inclusive....I see no difficulties or problems with respect to these from the perspective of the audit office."*

The Auditor had one area of concern, in relation to the debating of the Annual PAC Report in the Legislature. He stated,

> *"...the risk of the effectiveness of the Committee being eroded by the more partisan debate which is likely to take place in the full House. There is also the risk that the recommendations of the Committee...could easily be overturned by House debate....."*

February 13, 1991 -
Steering Committee Meeting

The Committee reviewed the comments made by the Auditor General in his letter of February 7 and, in compliance with his suggestion, amended SECTION F: COMMITTEE REPORTS by deleting all reference to debating the report in the Legislature.

Upon the direction of the Committee, the Clerk revised the report and distributed sufficient copies of the 'FINAL DRAFT' to each of the respective caucuses, as well as to the Auditor General.

NOTE:

Within one week, two of the caucuses had reported back to the Committee that they were satisfied with the contents of the Steering Committee Report. The Progressive Conservative caucus had not the opportunity to discuss the contents of the Report.

The P.C. caucus met on April 11, 1991. This caucus did not approve the report, apparently based on concerns that had been expressed by the Auditor General directly to the Speaker-Designate.

The Auditor General was contacted and asked to appear before the Members of the Steering Committee to advise them of his additional concerns.

April 17, 1991 -
Steering Committee Meeting
Witness: Auditor General

The Committee concluded that many of the concerns of the Auditor General were editorial in nature, but that two sections: 1) E: APPOINTMENT AND ACCOUNTABILITY OF THE AUDITOR GENERAL, and 2) APPENDIX III a: REVISIONS TO THE AUDITOR GENERAL ACT, warranted further consideration.

April 24, 1991 -
Steering Committee Meeting

The Committee met to review all of the concerns raised by the Auditor General the previous week, and in particular, the two mentioned above. They were agreeable to his suggestions for revision to Section E and to Appendix III and made the appropriate changes.

Immediately following the meeting, and upon the direction of the Steering Committee, the Clerk prepared another draft of the report, complete with the latest revisions (FINAL DRAFT - II) and forwarded it to each Committee Member, the Auditor General, and to the P.C. caucus, which met the following day, April 25.

April 24, 1991 -
Correspondence
From: The Auditor General

The Auditor General provided the committee with a further clarification of his remarks on April 17.

April 26, 1991 -
Scheduling of Full PAC Meeting

The Clerk was notified that there were still some aspects of the report that were unacceptable to the P.C. caucus. It was felt, therefore, that the full committee should meet in order to try to find a way to solve the impasse.

That meeting was set for:
Wednesday, May 1, 1991